



*Proven Expertise and Integrity*

June 6, 2016

Board of Directors  
Regional School Unit No. 13  
28 Lincoln Street  
Rockland, ME 04841

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School Unit No. 13 for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 6, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Regional School Unit No. 13 are described in Section I of Notes to the financial statements. The application of existing policies was not changed during 2015. We noted no transactions entered into by Regional School Unit No. 13 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Unit's financial statements was:

- Depreciation expense which is based on the estimated useful lives of capital assets

Management's process for determining the above estimates is based on firm concepts and reasonable assumptions of future events. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are of particular importance because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are reflected in the capital assets, long-term liabilities and fund balance footnotes.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify or propose any adjustments of misstatements as a result of audit procedures that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 8, 2016.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Regional School Unit No. 13's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Regional School Unit No. 13's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions for the Maine Public Employees Retirement System State Employee and Teacher Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

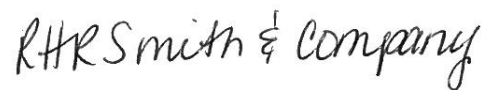
We were engaged to report on the combining and individual non-major fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Regional School Unit No. 13 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very Best,

A handwritten signature in cursive script that reads "RHR Smith & Company".

RHR Smith & Company, CPAs

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2015



*Proven Expertise and Integrity*

REGIONAL SCHOOL UNIT NO. 13

CONTENTS

JUNE 30, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14
<u>FUND FINANCIAL STATEMENTS</u>	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	15
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT G - STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS	19
NOTES TO FINANCIAL STATEMENTS	20 - 44
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	45

SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS - BUDGET AND ACTUAL – GENERAL FUND	46
SCHEDULE 2 - SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	47
SCHEDULE 3 - SCHEDULE OF CONTRIBUTIONS	48
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	49
SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND	50 - 52
SCHEDULE B - COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	53
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	54
SPECIAL REVENUE FUNDS DESCRIPTION	55
SCHEDULE D - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	56 - 62
SCHEDULE E - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	63 - 69
CAPITAL PROJECTS FUNDS DESCRIPTION	70
SCHEDULE F - COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS	71
SCHEDULE G - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS	72
PERMANENT FUNDS DESCRIPTION	73
SCHEDULE H - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	74 - 79

SCHEDULE I - COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - NONMAJOR  
PERMANENT FUNDS 80 - 85

GENERAL CAPITAL ASSETS DESCRIPTION 86

SCHEDULE J - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION 87

SCHEDULE K - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS  
BY FUNCTION 88

FEDERAL COMPLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 89

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 90

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* 91 - 92

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 93 - 95

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 96

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS 97

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA  
SUBMITTED TO THE MEDMS FINANCIAL SYSTEM 98



*Proven Expertise and Integrity*

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Regional School Unit No. 13  
Rockland, Maine

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 Regional School Unit No. 13, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Unit'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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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 of Regional School Unit No. 13 as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4 through 11 and 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 13'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 expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2016, on our consideration of Regional School Unit No. 13's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional School Unit No. 13's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
April 8, 2016

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**(UNAUDITED)**

The following management's discussion and analysis of Regional School Unit No. 13's financial performance provides an overview of the Unit's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Unit's financial statements.

**Financial Statement Overview**

Regional School Unit No. 13's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and pension information, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements provide a broad view of the Unit's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Unit's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the Unit's activities. The type of activity presented for the Unit is:

- *Governmental activities* – The activities in this section are mostly supported by support from the Units and intergovernmental revenues (federal and state grants). All of the Unit's basic services are reported in governmental activities, which include instruction, special education, student and staff support, administration, operations and maintenance and transportation.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Unit, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Unit can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds:* Most of the basic services provided by the Unit are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Unit's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Unit.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Unit presents two columns in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Unit's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Unit legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

*Fiduciary Funds:* These funds are used to account for resources held for the benefit of parties outside the Unit. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Unit's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **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 Financial Statements can be found following the Statement of Fiduciary Net Position - Fiduciary Funds.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, a Schedule of Proportionate Share of the Net Pension Liability and a Schedule of Contributions.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position, and changes in net position of the Unit's governmental activities. The Unit's total net position for governmental activities increased by \$1,088,465 from \$12,004,985 to a balance of \$13,093,450 at year end.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling

legislation, or other legal requirements - for the governmental activities increased to a deficit balance of \$1,427,460 at the end of the fiscal year.

**Table 1**  
**Regional School Unit No. 13**  
**Net Position**  
**June 30,**

	<b>2015</b>	<b>2014 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 4,135,953	\$ 3,893,030
Capital Assets	15,641,580	15,967,358
Total Assets	19,777,533	19,860,388
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pensions	760,309	101,521
Total Deferred Outflows of Resources	760,309	101,521
<b>Liabilities:</b>		
Current Liabilities	3,292,110	3,662,756
Long-term Debt Outstanding	3,834,549	4,294,168
Total Liabilities	7,126,659	7,956,924
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Pensions	317,733	-
Total Deferred Inflows of Resources	317,733	-
<b>Net Position:</b>		
Net Investment in Capital Assets	12,366,995	12,136,573
Restricted :		
Special Revenue Funds	23,276	73,635
Capital Projects Funds	18,815	26,764
Permanent Funds	2,111,824	2,122,073
Unrestricted (Deficit)	(1,427,460)	(2,354,060)
Total Net Position	\$ 13,093,450	\$ 12,004,985

**Table 2**  
**Regional School Unit No. 13**  
**Change in Net Position**  
**For The Years Ended June 30,**

	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 52,839	\$ 64,317
Operating grants & contributions	4,284,826	4,536,282
<i>General Revenues:</i>		
Support from towns	23,603,358	22,613,779
Grants & contributions not restricted to specific programs	3,294,276	3,432,155
Miscellaneous	579,937	735,237
Total Revenues	<u>31,815,236</u>	<u>31,381,770</u>
<b>Expenses:</b>		
Instruction	10,756,593	10,596,243
Special education	4,109,377	3,844,661
Career & technical	951,336	948,450
Other instructional	495,907	550,466
Student & staff support	2,477,864	2,555,723
System administration	427,894	859,308
School administration	1,436,183	1,524,689
Transportation	1,292,885	1,290,803
Facilities	3,234,436	3,096,440
Interest on long term debt	135,693	163,678
Change in accrued summer salaries/benefits	-	37,249
Change in accrued compensated absences	80,827	-
State of Maine on-behalf payments	1,899,213	1,699,913
Program expenses	3,428,563	3,712,113
Total Expenses	<u>30,726,771</u>	<u>30,879,736</u>
Change in Net Position	1,088,465	502,034
Net Position - July 1, Restated	<u>12,004,985</u>	<u>11,502,951</u>
Net Position - June 30	<u>\$ 13,093,450</u>	<u>\$ 12,004,985</u>

## Revenues and Expenses

Revenues for the Unit's governmental activities increased by 1.38%, while total expenses decreased by .50%. Most of the Unit's revenues and expenses were consistent with the previous year with minor increases or decreases.

### Financial Analysis of the Unit's Fund Statements

*Governmental funds:* The financial reporting focus of the Unit's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Unit's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

**Table 3**  
**Regional School Unit No. 13**  
**Fund Balances - Governmental Funds**  
**June 30,**

	2015	2014 (Restated)
Major Funds:		
General Fund:		
Nonspendable	\$ 68,783	\$ -
Unassigned	(775,351)	(1,191,668)
Total Major Funds	\$ (706,568)	\$ (1,191,668)
Nonmajor Funds:		
Special Revenue Funds:		
Nonspendable	\$ 22,226	\$ 8,359
Restricted	23,276	73,635
Committed	50,554	171,092
Assigned	61,512	1,610
Unassigned	(22,226)	(8,359)
Capital Projects Funds:		
Restricted	18,815	26,764
Permanent Funds:		
Restricted	2,111,824	2,122,073
Total Nonmajor Funds	\$ 2,265,981	\$ 2,395,174

The general fund total fund balance increased by \$485,100 from the prior fiscal year. The nonmajor fund balances decreased by \$129,193 from the prior fiscal year.



## Budgetary Highlights

There was no significant difference between the original and final budget for the general fund.

The general fund actual revenues were under budget by \$134,751. This was mainly the result of Medicaid and state agency client revenues being receipted less than budgeted amounts.

The general fund actual expenditures were under budget by \$619,851. All expenditure categories were under budget with the exception of change in accrued compensated absences and transfers to other funds.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Unit decreased by \$325,778 from the prior fiscal year. This decrease was due to capital additions of \$469,547 less current year depreciation expense of \$795,325.

**Table 4**  
**Regional School Unit No. 13**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2015</u>	<u>2014</u>
Land	\$ 211,479	\$ 211,479
Art work	67,000	67,000
Land improvements	294,593	335,541
Buildings	13,134,820	13,534,988
Machinery & equipment	1,397,127	1,290,797
Vehicles	536,561	527,553
Total	<u>\$ 15,641,580</u>	<u>\$ 15,967,358</u>

### Debt

At June 30, 2015, the Unit had an obligation to pay \$2.60 million in bonds outstanding versus \$3.25 million last year. Other obligations include capital leases payable, accrued sick and vacation time and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

## **Currently Known Facts, Decisions, or Conditions**

### **Economic Factors and Next Year's Budgets and Rates**

The FY 2016 budget could be impacted by reductions in state subsidy as a result of reduced state revenue projections. Curtailments in the state's biennial budget may serve to increase required local contributions and/or reductions in Unit spending.

### **Contacting the Unit's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Unit's finances and to show the Unit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Unit's Finance Department at 28 Lincoln Street, Rockland, Maine 04841.

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,806,096
Investments	1,949,667
Accounts receivable (net of allowance for uncollectibles)	10,369
Due from other governments	278,812
Inventory	22,226
Prepaid items	68,783
Total current assets	<u>4,135,953</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	278,479
Depreciable assets, net of accumulated depreciation	15,363,101
Total noncurrent assets	<u>15,641,580</u>
<b>TOTAL ASSETS</b>	<u>19,777,533</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	760,309
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>760,309</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 20,537,842</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 274,575
Accrued payroll and benefits	2,219,738
Other payables	17,023
Current portion of long-term obligations	780,774
Total current liabilities	<u>3,292,110</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	2,063,500
Capital leases payable	430,311
Accrued compensated absences	606,837
Net pension liability	733,901
Total noncurrent liabilities	<u>3,834,549</u>
<b>TOTAL LIABILITIES</b>	<u>7,126,659</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	317,733
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>317,733</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,366,995
Restricted:	
Special revenue funds	23,276
Capital projects funds	18,815
Permanent funds	2,111,824
Unrestricted (deficit)	(1,427,460)
<b>TOTAL NET POSITION</b>	<u>13,093,450</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 20,537,842</u>

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

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 10,756,593	\$ 52,839	\$ -	\$ -	\$ (10,703,754)
Special education	4,109,377	-	-	-	(4,109,377)
Career & technical	951,336	-	-	-	(951,336)
Other instructional	495,907	-	-	-	(495,907)
Student & staff support	2,477,864	-	-	-	(2,477,864)
System administration	427,894	-	-	-	(427,894)
School administration	1,436,183	-	-	-	(1,436,183)
Transportation	1,292,885	-	-	-	(1,292,885)
Facilities	3,234,436	-	-	-	(3,234,436)
Interest on long term debt	135,693	-	-	-	(135,693)
Change in accrued compensated absences	80,827	-	-	-	(80,827)
State of Maine on-behalf payments	1,899,213	-	1,899,213	-	-
Program expenses	3,428,563	-	2,385,613	-	(1,042,950)
Total government	<u>\$ 30,726,771</u>	<u>\$ 52,839</u>	<u>\$ 4,284,826</u>	<u>\$ -</u>	<u>\$ (26,389,106)</u>

## STATEMENT B (CONTINUED)

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(26,389,106)</u>
General revenues:	
Support from towns	23,603,358
Grants and contributions not restricted to specific programs	3,294,276
Miscellaneous	579,937
Total general revenues	<u>27,477,571</u>
Change in net position	1,088,465
NET POSITION - JULY 1, RESTATED	<u>12,004,985</u>
NET POSITION - JUNE 30	<u><u>\$ 13,093,450</u></u>

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

## REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,634,939	\$ 171,157	\$ 1,806,096
Investments	9,000	1,940,667	1,949,667
Accounts receivable (net of allowance for uncollectibles)	-	10,369	10,369
Due from other governments	4,925	273,887	278,812
Inventory	-	22,226	22,226
Prepaid items	68,783	-	68,783
Due from other funds	67,821	172,440	240,261
<b>TOTAL ASSETS</b>	<u>\$ 1,785,468</u>	<u>\$ 2,590,746</u>	<u>\$ 4,376,214</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 190,071	\$ 84,504	\$ 274,575
Accrued payroll and benefits	2,219,738	-	2,219,738
Accrued compensated absences	65,204	-	65,204
Other payables	17,023	-	17,023
Due to other funds	-	240,261	240,261
<b>TOTAL LIABILITIES</b>	<u>2,492,036</u>	<u>324,765</u>	<u>2,816,801</u>
<b>FUND BALANCES</b>			
Nonspendable	68,783	22,226	91,009
Restricted	-	2,153,915	2,153,915
Committed	-	50,554	50,554
Assigned	-	61,512	61,512
Unassigned	(775,351)	(22,226)	(797,577)
<b>TOTAL FUND BALANCES</b>	<u>(706,568)</u>	<u>2,265,981</u>	<u>1,559,413</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,785,468</u>	<u>\$ 2,590,746</u>	<u>\$ 4,376,214</u>

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

## REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,559,413
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	15,641,580
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	760,309
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(2,602,750)
Capital leases payable	(671,835)
Accrued compensated absences	(541,633)
Net pension liability	(733,901)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(317,733)</u>
Net position of governmental activities	<u><u>\$ 13,093,450</u></u>

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

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Support from towns	\$ 23,603,358	\$ -	\$ 23,603,358
Intergovernmental revenues	5,193,489	2,385,613	7,579,102
Charges for services	52,839	-	52,839
Miscellaneous	90,761	489,176	579,937
<b>TOTAL REVENUES</b>	<b>28,940,447</b>	<b>2,874,789</b>	<b>31,815,236</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	10,908,173	-	10,908,173
Special education	4,109,377	-	4,109,377
Career & technical	951,336	-	951,336
Other instructional	495,907	-	495,907
Student & staff support	2,477,864	-	2,477,864
System administration	687,611	-	687,611
School administration	1,436,183	-	1,436,183
Transportation	1,309,268	-	1,309,268
Facilities	3,077,918	-	3,077,918
Change in accrued compensated absences	65,204	-	65,204
State of Maine on-behalf payments	1,899,213	-	1,899,213
Program expenses	-	3,260,832	3,260,832
Capital expenditures	470,256	-	470,256
Debt service:			
Principal	644,750	-	644,750
Interest	135,693	-	135,693
<b>TOTAL EXPENDITURES</b>	<b>28,668,753</b>	<b>3,260,832</b>	<b>31,929,585</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>271,694</b>	<b>(386,043)</b>	<b>(114,349)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease proceeds	470,256	-	470,256
Transfers in	-	276,850	276,850
Transfers (out)	(256,850)	(20,000)	(276,850)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>213,406</b>	<b>256,850</b>	<b>470,256</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>485,100</b>	<b>(129,193)</b>	<b>355,907</b>
<b>FUND BALANCES, JULY 1, RESTATED</b>	<b>(1,191,668)</b>	<b>2,395,174</b>	<b>1,203,506</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ (706,568)</b>	<b>\$ 2,265,981</b>	<b>\$ 1,559,413</b>

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



## REGIONAL SCHOOL UNIT NO. 13

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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 355,907</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset additions	469,547
Depreciation expense	<u>(795,325)</u>
	<u>(325,778)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>658,788</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>924,517</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position	<u>(470,256)</u>
Deferred inflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(317,733)</u>
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:	
Accrued compensated absences	(15,623)
Net pension liability	<u>278,643</u>
	<u>263,020</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,088,465</u>

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

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Agency Funds</u>
	<u>Student Activities</u>
ASSETS	
Cash and cash equivalents	<u>\$ 164,368</u>
TOTAL ASSETS	<u><u>\$ 164,368</u></u>
LIABILITIES	
Deposits held for others	<u>\$ 164,368</u>
TOTAL LIABILITIES	<u><u>\$ 164,368</u></u>

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Unit was incorporated under the laws of the State of Maine as of July 1, 2009. The Unit was formed through the merger of Maine School Administrative District No. 5 and Maine School Administrative District No. 50. The Unit provides education services.

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

The Unit's combined financial statements include all accounts and all operations of the Unit. We have determined that the Unit has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

**Government-Wide and Fund Financial Statements**

The Unit's basic financial statements include both government-wide (reporting the Unit as a whole) and fund financial statements (reporting the Unit's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. All activities of the Unit are categorized as governmental.

In the government-wide Statement of Net Position, the governmental column is (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Unit's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Unit first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Unit's functions (instruction, operations and maintenance, etc.). The functions are also supported by general government revenues (support from towns, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Unit does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Unit as an entity and the change in the Unit's net position resulting from the current year's activities.

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

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

The following fund types are used by the Unit:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the Unit. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the Unit that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. The Unit's policy for authorizing and spending investment income follows State statutes.

2. Fiduciary Funds:

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

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

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

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

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

Revenues per budgetary basis	\$27,041,234
Add: On-behalf payments	1,899,213
Lease proceeds	<u>470,256</u>
Total GAAP basis	<u>\$29,410,703</u>
Expenditures per budgetary basis	\$26,556,134
Add: On-behalf basis	1,899,213
Capital expenditures	<u>470,256</u>
Total GAAP basis	<u>\$28,925,603</u>

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, the Department has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on-behalf of the Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under generally accepted accounting principles of \$1,899,213. These amounts have been included as intergovernmental revenue and as education expenditures in the General Fund on

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement B (GAAP basis). There is no effect on the total fund balance at the end of the year.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Unit prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Unit was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Unit.
4. The Unit does not adopt budgets for Special Revenue Funds.

**Deposits and Investments**

The Unit'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.

It is the Unit's policy to value investments at fair value. None of the Unit's investments are reported at amortized cost. The Unit Treasurer is authorized by State Statutes to invest all excess funds in the following:

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

The Unit has no formal investment policy but instead follows the State of Maine Statutes.

**Inventories**

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Prepaid Items**

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Interfund Receivables and Payables**

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

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2015.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are



REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

likely to be the largest asset class of the Unit. The Unit has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of bonds payable, capital leases payable, compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**Compensated Absences**

The Unit's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave, as well as unused personal days converted to sick time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

**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 State Employee and Teacher (SET)

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Unit or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**Fund Balance**

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

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

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

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Directors.

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

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

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Unit has only one type of item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows related to pensions qualify for reporting in this category. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. While the Unit does utilize encumbrance accounting for its general fund, encumbrances outstanding at June 30, 2015 lapse and are reappropriated and/or reencumbered as part of the subsequent year's budget. The Unit had no material encumbrances outstanding at June 30, 2015.

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unit will not be able to recover its deposits. The Unit does not have a policy covering custodial credit risk for deposits. However, the Unit maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Unit's deposits and cash equivalents amounting to \$1,970,464 were comprised of bank deposits and cash equivalents of \$2,180,465. Of these bank deposits and cash equivalents, \$456,079 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. \$1,585,706 of bank deposits was collateralized with securities held by the financial institution in the Unit's name. Cash equivalents of \$138,680 were covered by the Securities Investor Protection Corporation (SIPC).

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 423,602
Repurchase agreements	1,585,706
Savings accounts	32,477
Cash equivalents	138,680
	<u>\$ 2,180,465</u>

**Investments:**

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

At June 30, 2015, the Unit's certificates of deposit of \$132,738 were fully insured by federal depository insurance and thus not exposed to custodial credit risk. Of the Unit's remaining investments of \$1,816,929, \$924,072 were covered by the Securities Investor Protection Corporation (SIPC) and \$892,857 were uninsured and uncollateralized.

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
US Government agency bonds	\$ 20,325	\$ -	\$ 20,325	\$ -	\$ -
Corporate bonds	525,233	31,640	-	443,111	50,482
Maine Community Foundation	46,105	46,105	-	-	-
Stocks	559,846	559,846	-	-	-
Mutual funds	640,305	640,305	-	-	-
Commercial paper	25,115	25,115	-	-	-
Certificates of deposit	132,738	-	99,372	33,366	-
	<u>\$ 1,949,667</u>	<u>\$ 1,303,011</u>	<u>\$ 119,697</u>	<u>\$ 476,477</u>	<u>\$ 50,482</u>

Credit risk – Statutes for the State of Maine authorize the Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Unit does not have an investment policy on credit risk. Generally, the Unit invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. As of June 30, 2015 the Unit's

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

investments in commercial paper were rated AA- (\$25,115) by Standard & Poor's Rating Service. The Unit's investments in corporate bonds were rated AA+ (\$25,368), AA- (\$160,646), A- (\$100,893), A- (\$81,695), BBB+ (\$49,577), BBB (\$50,299) by Standard & Poor's Rating Service. The Unit's holdings in tax-exempt bonds, fixed income mutual funds and negotiable certificates of deposit totaling \$793,368 were not rated. Credit ratings were not available for certain other corporate bond holdings totaling \$56,755.

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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of the following individual fund receivables and payables:

	<u>Receivables</u> <u>(Due From)</u>	<u>Payables</u> <u>(Due To)</u>
General Fund	\$ 67,821	\$ -
Nonmajor Special Revenue Funds	153,625	240,261
Nonmajor Capital Projects Funds	18,815	-
	<u>\$ 240,261</u>	<u>\$ 240,261</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Balance, 7/1/14	Additions	Deletions	Balance, 6/30/15
Non-depreciated assets:				
Land	\$ 211,479	\$ -	\$ -	\$ 211,479
Art work	67,000	-	-	67,000
	<u>278,479</u>	<u>-</u>	<u>-</u>	<u>278,479</u>
Depreciated assets:				
Land improvements	1,252,353	-	-	1,252,353
Buildings	21,901,767	45,405	-	21,947,172
Machinery & equipment	3,914,055	319,890	-	4,233,945
Vehicles	1,933,345	104,252	-	2,037,597
	<u>29,001,520</u>	<u>469,547</u>	<u>-</u>	<u>29,471,067</u>
Less: accumulated depreciation	<u>(13,312,641)</u>	<u>(795,325)</u>	<u>-</u>	<u>(14,107,966)</u>
	<u>15,688,879</u>	<u>(325,778)</u>	<u>-</u>	<u>15,363,101</u>
Net capital assets	<u>\$ 15,967,358</u>	<u>\$ (325,778)</u>	<u>\$ -</u>	<u>\$ 15,641,580</u>

Current Year Depreciation:

Regular education	\$ 493,194
Maintenance and operations	208,923
Transportation	87,869
School lunch	5,339
Total depreciation expense	<u>\$ 795,325</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT

The General Fund of the Unit is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 7/1/14 (Restated)	Additions	Reductions	Balance, 6/30/15	Due Within One Year
Bonds payable	\$ 3,247,500	\$ -	\$ (644,750)	\$ 2,602,750	\$ 539,250
Capital leases payable	481,346	470,256	(279,767)	671,835	241,524
Accrued compensated absences	526,010	80,827	-	606,837	-
Net pension liability	1,012,544	696,797	(975,440)	733,901	-
Totals	<u>\$ 5,267,400</u>	<u>\$ 1,247,880</u>	<u>\$ (1,899,957)</u>	<u>\$ 4,615,323</u>	<u>\$ 780,774</u>

The following is a summary of bonds outstanding as of June 30, 2015:

\$2,760,000, 1997 General Obligation bond due in annual principal installments of \$138,000 through November 2017. The interest rate varies from 5.276% to 5.776% per annum.	\$ 414,000
\$2,225,000, 2002 General Obligation bond due in annual principal installments of \$111,250 through November 2021. The interest rate varies from 3.048% to 5.423% per annum.	778,750
\$4,800,000, 1998 General Obligation bond due in annual principal installments of \$240,000 through November 2018. The interest rate varies from 4.528% to 5.378% per annum.	960,000
\$500,000, 2013 General Obligation bond due in annual principal installments of \$50,000 through November 2023. The interest rate varies from 0.600% to 2.380% per annum.	<u>450,000</u>
Total bonds payable	<u>\$ 2,602,750</u>



REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ 539,250	\$ 108,251	\$ 647,501
2017	539,250	80,944	620,194
2018	539,250	53,558	592,808
2019	401,250	31,973	433,223
2020	161,250	18,883	180,133
2021-2025	422,500	19,644	442,144
	<u>\$ 2,602,750</u>	<u>\$ 313,253</u>	<u>\$ 2,916,003</u>

A summary of the outstanding capital leases payable is as follows:

The Unit leases computers, photocopiers, buses and vehicles under non-cancelable lease agreements. These leases have given rise to property rights and qualify as a capital lease for accounting purposes. Payment obligations for these capital leases have been satisfied as of year end.

The future minimum lease obligations of the remaining leases, and the net present value of these minimum lease payments for the next five years ending June 30, are as follows:

Year Ending June 30:	
2016	\$ 260,590
2017	175,286
2018	120,866
2019	90,477
2020	68,189
2021-2025	<u>2,725</u>
Total minimum lease payments	718,133
Less: amount representing interest	<u>(46,298)</u>
Present value of future minimum lease payments	<u>\$ 671,835</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2015, the Unit had the following nonspendable fund balances:

General Fund:	
Prepaid Items	\$ 68,783
Nonmajor Special Revenue Funds (Schedule D)	<u>22,226</u>
	<u>\$ 91,009</u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2015, the Unit had the following restricted fund balances:

Nonmajor Special Revenue Funds (Schedule D)	\$ 23,276
Nonmajor Capital Projects Funds (Schedule F)	18,815
Nonmajor Permanent Funds (Schedule H)	<u>2,111,824</u>
	<u>\$ 2,153,915</u>

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2015, the Unit had the following committed fund balances:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 50,554</u>
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NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2015, the Unit had the following assigned fund balances:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 61,512</u>
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NOTE 10 - RISK MANAGEMENT

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

Based on the coverage provided by the insurance purchased, the Unit is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description**

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

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**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. The Unit's teachers are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for teachers covered by this program was approximately \$12,503,048 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 13.03% of the Unit's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$1,629,147 for the year ended June 30, 2015. Title 5 of the Maine Revised Statutes Annotated also requires the Unit to contribute at an actuarially determined normal cost rate of 2.65%, which totaled \$349,771 for 2015. In addition, the Unit is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 13.50% of compensation and totaled \$93,943 the year ended June 30, 2015.

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

At June 30, 2015, the Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Unit. The amount recognized by the Unit as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Unit were as follows:

Unit's proportionate share of the net pension liability	\$ 733,901
State's proportionate share of the net pension liability associated with the Unit	<u>12,155,484</u>
Total	<u><u>\$ 12,889,385</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Unit's proportion of the net pension liability was based on a projection of the Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating school Units and the State,

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

actuarially determined. At June 30, 2014, the Unit's proportion was 0.067933%, which was an increase of 0.004245% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Unit recognized net pension revenue of \$38,009 and revenue of \$657,707 for support provided by the State of Maine. At June 30, 2015, the Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SET Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,670
Changes of assumptions	50,543	-
Net difference between projected and actual earnings on pension plan investments	-	314,063
Changes in proportion and differences between employer contributions and proportionate share of contributions	266,052	-
Contributions subsequent to the measurement date	<u>443,714</u>	<u>-</u>
Total	<u>\$ 760,309</u>	<u>\$ 317,733</u>

\$443,714 reported as deferred outflows of resources related to pensions resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>SET Plan</u>
Year ended June 30:	
2016	\$ (77,947)
2017	(77,947)
2018	78,516
2019	78,516
2020	-
Thereafter	-

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2014 and 2013, using the following methods and assumptions applied to all periods included in the measurement:

*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 (UAL) 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 his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her 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 dampens the swing 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 actuarial assumption for investment return.

*Amortization*

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

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2014 and June 30, 2013 are as follows:

*Investment Rate of Return* - For the State Employee and Teacher Plan, 7.125% per annum for the year ended June 30, 2014 and 7.25% for the year ended June 30, 2013, compounded annually.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Salary Increases, Merit and Inflation* - State Employees, 3.50% to 10.50% per year; Teachers, 3.50% to 13.5% per year.

*Mortality Rates* - For active State employee members and non-disabled retirees of the State employee plan, the RP2000 Tables projected forward to 2015 using Scale AA are used; for active members and non-disabled retirees of the teachers' plan, the ages are set back two years; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

*Cost of Living Benefit Increases* - 2.55% per annum for State employees and Teachers.

The long-term expected rate of return on pension plan assets 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2014 are summarized in the following table:

Asset Class	SET Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Actuarial Methods and Assumptions (Continued)**

*Discount Rate*

The discount rate used to measure the collective total pension liability was 7.125% for 2014 and 7.25% for 2013 for the State Employee and Teacher Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at 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.

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.125% for the State Employee and Teacher Plan.

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	6.125%	7.125%	8.125%
Employer's proportionate share of the net pension liability	\$ 1,405,723	\$ 733,901	\$ 171,739

**Changes in Net Pension Liability**

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2014 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2014, this was 3 years for the State Employee and Teacher Plan.



REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 11 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability (Continued)**

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For the State Employee and Teacher Plan, the change in the discount rate from 7.25% to 7.125% was the only change in assumption in the 2014 valuation.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions*

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

**Pension Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2014 Comprehensive Annual Financial Report available online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (207) 512-3100.

NOTE 12 - DEFERRED COMPENSATION PLAN

The Unit offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all Unit employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 12 - DEFERRED COMPENSATION PLAN (CONTINUED)

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

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

NOTE 13 – DEFICIT FUND BALANCE

At June 30, 2015, the Unit had the following deficit fund balance:

General fund	<u>\$ 706,568</u>
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NOTE 14 - CONTINGENCIES / COMMITMENTS

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

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

NOTE 15 - RELATED PARTY TRANSACTIONS

An employee of the Regional School Unit No. 13 was hired to provide mowing services to the Unit. During fiscal year 2015, payments for these services totaled \$32,847.

NOTE 16 - RESTATEMENTS

The beginning fund balance of the general fund has been restated as of July 1, 2014. This balance was restated to include the accrued summer salaries and benefits balance. This restatement doesn't effect the governmental activities since the full amount of this liability has previously been included in the full accrual financial statements. The general fund was restated by \$2,079,882.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 16 – RESTATEMENTS (CONTINUED)

The beginning fund balance of the general fund and the net position for the governmental activities have been restated as of July 1, 2014. These balances were restated to correct the accrued summer salaries balance. The general fund and the governmental activities were restated by \$44,199.

The beginning fund balance of the permanent funds and the net position for the governmental activities have been restated as of July 1, 2014. These balances were restated to correct the balance in the Priscilla Noddin Trust Fund. The permanent funds and the governmental activities were restated by (\$134,422).

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance has been reduced by \$911,023 to a balance of \$12,095,208.

The net restatement to the general fund, permanent funds and governmental activities was (\$2,035,683), (\$134,422) and (\$1,001,246), respectively.

NOTE 17 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Unit's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 18 - SUBSEQUENT EVENTS

Pursuant to a withdrawal agreement entered into between the Town of St. George and the School Unit, the Town of St. George will withdraw as a member municipality of the School Unit effective July 1, 2015. Under the terms of the agreement, the School Unit will transfer capital assets to the St. George Municipal School Unit (MSU) effective July 1, 2015. St. George will reimburse the School Unit the St. George percentage share of outstanding bonds payable as of July 1, 2015. The reduction to net position on the Statement on Net Position for the transfer of assets has not yet been calculated. St. George will also assume any leases related to the transfer of equipment and personal property. Additionally, the School Unit will divide fund balances, or deficits, certain reserve account balances, and other liabilities according to the allocation method described in the withdrawal agreement.

## Required Supplementary Information

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

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions

## REGIONAL SCHOOL UNIT NO. 13

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, Restated	\$ (1,191,668)	\$ (1,191,668)	\$ (1,191,668)	\$ -
Resources (inflows):				
Support from towns	23,603,358	23,603,358	23,603,358	-
Intergovernmental revenues:				
State subsidy	3,217,703	3,217,703	3,223,148	5,445
State agency client	40,000	40,000	-	(40,000)
Medicaid	200,000	200,000	3,540	(196,460)
Other	25,924	25,924	67,588	41,664
Charges for services	39,000	39,000	52,839	13,839
Interest income	9,000	9,000	12,145	3,145
Miscellaneous revenues	41,000	41,000	78,616	37,616
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>25,984,317</u>	<u>25,984,317</u>	<u>25,849,566</u>	<u>(134,751)</u>
Charges to appropriations (outflows):				
Instruction	10,989,037	10,989,037	10,908,173	80,864
Special education	4,174,217	4,174,217	4,109,377	64,840
Career & technical	951,336	951,336	951,336	-
Other instructional	608,245	608,245	495,907	112,338
Student & staff support	2,661,056	2,661,056	2,477,864	183,192
System administration	702,246	702,246	687,611	14,635
School administration	1,518,498	1,518,498	1,436,183	82,315
Transportation	1,376,241	1,376,241	1,309,268	66,973
Facilities	3,240,307	3,153,457	3,077,918	75,539
Debt service:				
Principal	644,750	644,750	644,750	-
Interest	140,052	140,052	135,693	4,359
Change in accrued compensated absences	-	-	65,204	(65,204)
Transfers to other funds	170,000	256,850	256,850	-
Total charges to appropriations	<u>27,175,985</u>	<u>27,175,985</u>	<u>26,556,134</u>	<u>619,851</u>
Budgetary fund balance, June 30	<u>\$ (1,191,668)</u>	<u>\$ (1,191,668)</u>	<u>\$ (706,568)</u>	<u>\$ 485,100</u>
Utilization of assigned fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

## REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST 10 FISCAL YEARS\*

	<u>2015</u>
<u>SET Plan:</u>	
Unit's proportion of the net pension liability (asset)	0.06%
Unit's proportionate share of the net pension liability (asset)	\$ 733,901
State's proportionate share of the net pension liability (asset) associated with the Unit	<u>12,155,484</u>
Total	<u>\$ 12,889,385</u>
Unit's covered-employee payroll	\$ 13,198,919
Unit's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	5.56%
Plan fiduciary net position as a percentage of the total pension liability	83.91%

\* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

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

## REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	<u>2015</u>	<u>2014</u>
<u>SET Plan:</u>		
Contractually required contribution	\$ 443,714	\$ 461,070
Contributions in relation to the contractually required contribution	<u>(443,714)</u>	<u>(461,070)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Unit's covered-employee payroll	\$ 13,198,919	\$ 13,380,695
Contributions as a percentage of covered- employee payroll	3.36%	3.45%

\* The amounts presented for each fiscal year are for those years  
for which information is available.

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

## Other Supplementary Information

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

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function



REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
<b>INSTRUCTION (Article 1)</b>				
Instruction	\$ 10,471,194	\$ 10,471,194	\$ 10,412,645	\$ 58,549
Alternative education	360,028	360,028	338,424	21,604
English as a second language	72,339	72,339	73,821	(1,482)
Gifted and talented	85,476	85,476	83,283	2,193
Totals	<u>10,989,037</u>	<u>10,989,037</u>	<u>10,908,173</u>	<u>80,864</u>
<b>SPECIAL EDUCATION (Article 2)</b>				
Resource room	1,294,347	1,294,347	1,248,806	45,541
Self contained class	1,820,893	1,820,893	1,826,365	(5,472)
Psychological services	153,061	153,061	139,309	13,752
Speech services	359,738	359,738	373,338	(13,600)
Occupational therapy	165,860	165,860	131,860	34,000
Other services	60,000	60,000	69,420	(9,420)
Hospital/homebound	3,142	3,142	674	2,468
Summer school	19,946	19,946	36,995	(17,049)
Administration	297,230	297,230	282,610	14,620
Totals	<u>4,174,217</u>	<u>4,174,217</u>	<u>4,109,377</u>	<u>64,840</u>
<b>CAREER AND TECHNICAL (Article 3)</b>				
Career & technical education	<u>951,336</u>	<u>951,336</u>	<u>951,336</u>	-
Totals	<u>951,336</u>	<u>951,336</u>	<u>951,336</u>	-
<b>OTHER INSTRUCTIONAL (Article 4)</b>				
Student activities	101,488	101,488	72,042	29,446
Athletics	<u>506,757</u>	<u>506,757</u>	<u>423,865</u>	<u>82,892</u>
Totals	<u>608,245</u>	<u>608,245</u>	<u>495,907</u>	<u>112,338</u>

SCHEDULE A (CONTINUED)  
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
<b>STUDENT AND STAFF SUPPORT (Article 5)</b>				
Guidance	\$ 612,325	\$ 612,325	\$ 594,175	\$ 18,150
Student 504 services	53,753	53,753	3,933	49,820
Instructional staff training	113,556	113,556	87,696	25,860
Library	385,198	385,198	304,615	80,583
Instructional technology	947,112	947,112	958,994	(11,882)
Health services	281,858	281,858	315,764	(33,906)
Improvement of instruction	209,994	209,994	186,753	23,241
Student assessment	57,260	57,260	25,934	31,326
Totals	<u>2,661,056</u>	<u>2,661,056</u>	<u>2,477,864</u>	<u>183,192</u>
<b>SYSTEM ADMINISTRATION (Article 6)</b>				
School board	78,203	78,203	79,293	(1,090)
Office of the superintendent	309,431	309,431	294,211	15,220
Business office	314,612	314,612	314,107	505
Totals	<u>702,246</u>	<u>702,246</u>	<u>687,611</u>	<u>14,635</u>
<b>SCHOOL ADMINISTRATION (Article 7)</b>				
School administration	1,518,498	1,518,498	1,436,183	82,315
Totals	<u>1,518,498</u>	<u>1,518,498</u>	<u>1,436,183</u>	<u>82,315</u>
<b>TRANSPORTATION (Article 8)</b>				
Totals	<u>1,376,241</u>	<u>1,376,241</u>	<u>1,309,268</u>	<u>66,973</u>
<b>FACILITIES (Article 9)</b>				
Operations and maintenance - schools	1,592,852	1,506,002	1,468,629	37,373
Care of buildings	1,134,880	1,134,880	1,125,718	9,162
District maintenance	512,575	512,575	483,571	29,004
Totals	<u>3,240,307</u>	<u>3,153,457</u>	<u>3,077,918</u>	<u>75,539</u>

SCHEDULE A (CONTINUED)  
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Expenditures	Variance Positive (Negative)
DEBT SERVICE (Article 10)				
Principal	644,750	644,750	644,750	-
Interest	140,052	140,052	135,693	4,359
Totals	<u>784,802</u>	<u>784,802</u>	<u>780,443</u>	<u>4,359</u>
CHANGE IN ACCRUED COMPENSATED ABSENCES				
	<u>-</u>	<u>-</u>	<u>65,204</u>	<u>(65,204)</u>
TRANSFERS TO OTHER FUNDS (Article 11)				
Food service transfer	170,000	256,850	256,850	-
Totals	<u>170,000</u>	<u>256,850</u>	<u>256,850</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 27,175,985</u>	<u>\$ 27,175,985</u>	<u>\$ 26,556,134</u>	<u>\$ 619,851</u>

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 171,157	\$ 171,157
Investments	-	-	1,940,667	1,940,667
Accounts receivable (net of allowance for uncollectibles)	10,369	-	-	10,369
Due from other governments	273,887	-	-	273,887
Inventory	22,226	-	-	22,226
Due from other funds	153,625	18,815	-	172,440
<b>TOTAL ASSETS</b>	<u>\$ 460,107</u>	<u>\$ 18,815</u>	<u>\$ 2,111,824</u>	<u>\$ 2,590,746</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 84,504	\$ -	\$ -	\$ 84,504
Due to other funds	240,261	-	-	240,261
<b>TOTAL LIABILITIES</b>	<u>324,765</u>	<u>-</u>	<u>-</u>	<u>324,765</u>
<b>FUND BALANCES</b>				
Nonspendable	22,226	-	-	22,226
Restricted	23,276	18,815	2,111,824	2,153,915
Committed	50,554	-	-	50,554
Assigned	61,512	-	-	61,512
Unassigned	(22,226)	-	-	(22,226)
<b>TOTAL FUND BALANCES</b>	<u>135,342</u>	<u>18,815</u>	<u>2,111,824</u>	<u>2,265,981</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 460,107</u>	<u>\$ 18,815</u>	<u>\$ 2,111,824</u>	<u>\$ 2,590,746</u>

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 2,385,613	\$ -	\$ -	\$ 2,385,613
Investment income, net of unrealized gains/(losses)	-	-	72,780	72,780
Other	416,396	-	-	416,396
<b>TOTAL REVENUES</b>	<b>2,802,009</b>	<b>-</b>	<b>72,780</b>	<b>2,874,789</b>
EXPENDITURES				
Program expenses	3,149,854	7,949	103,029	3,260,832
<b>TOTAL EXPENDITURES</b>	<b>3,149,854</b>	<b>7,949</b>	<b>103,029</b>	<b>3,260,832</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(347,845)	(7,949)	(30,249)	(386,043)
OTHER FINANCING SOURCES (USES)				
Transfers in	256,850	-	20,000	276,850
Transfers (out)	(20,000)	-	-	(20,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>236,850</b>	<b>-</b>	<b>20,000</b>	<b>256,850</b>
NET CHANGE IN FUND BALANCES	(110,995)	(7,949)	(10,249)	(129,193)
FUND BALANCES, JULY 1, RESTATED	246,337	26,764	2,122,073	2,395,174
FUND BALANCES, JUNE 30	<u>\$ 135,342</u>	<u>\$ 18,815</u>	<u>\$ 2,111,824</u>	<u>\$ 2,265,981</u>

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

## Special Revenue Funds

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	Lowes Grant	Walmart Grant	Fast Track	MCASS Fund	MaineCare Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	250	118	2,171	5,250	59,916
<b>TOTAL ASSETS</b>	<u>\$ 250</u>	<u>\$ 118</u>	<u>\$ 2,171</u>	<u>\$ 5,250</u>	<u>\$ 59,916</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 841	\$ 4,672	\$ 1,792
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>841</u>	<u>4,672</u>	<u>1,792</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	250	118	-	-	-
Committed	-	-	1,330	-	-
Assigned	-	-	-	578	58,124
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>250</u>	<u>118</u>	<u>1,330</u>	<u>578</u>	<u>58,124</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 250</u>	<u>\$ 118</u>	<u>\$ 2,171</u>	<u>\$ 5,250</u>	<u>\$ 59,916</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	<u>Laptop Damage</u>	<u>Stephen &amp; Tabitha King</u>	<u>GRAF</u>	<u>Private Grant</u>	<u>Fisherman's Academy</u>	<u>Band Donation</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	2,119	-	-	-
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	13,395	2,897	-	-	5,000	1,200
<b>TOTAL ASSETS</b>	<u>\$ 13,395</u>	<u>\$ 2,897</u>	<u>\$ 2,119</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,200</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,234	\$ 525	\$ 932	\$ -	\$ 5,000	\$ -
Due to other funds	-	-	1,187	-	-	-
<b>TOTAL LIABILITIES</b>	<u>2,234</u>	<u>525</u>	<u>2,119</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	11,161	2,372	-	-	-	-
Assigned	-	-	-	-	-	1,200
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>11,161</u>	<u>2,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 13,395</u>	<u>\$ 2,897</u>	<u>\$ 2,119</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,200</u>



REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	MEFLI - Adult Ed	FMC Science Grant	Active Schools Acceleration Project	Before School Supervision	Common Good Venture Grant - Adult Ed
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-
Due from other governments	-	-	-	-	-
Inventory	-	-	-	-	-
Due from other funds	-	6,163	1,610	8,349	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 6,163</u>	<u>\$ 1,610</u>	<u>\$ 8,349</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	6,163	-	-	-
Committed	-	-	-	8,349	-
Assigned	-	-	1,610	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>6,163</u>	<u>1,610</u>	<u>8,349</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 6,163</u>	<u>\$ 1,610</u>	<u>\$ 8,349</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2015

	College Transitions - Adult Ed	Transitions Grant Proficiency Based	Lonza Grant	Title IA Disadvantage
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	64,201
Inventory	-	-	-	-
Due from other funds	-	4,212	1,540	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 4,212</b>	<b>\$ 1,540</b>	<b>\$ 64,201</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,730
Due to other funds	-	-	-	62,471
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,201</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	4,212	1,540	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>4,212</b>	<b>1,540</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 4,212</b>	<b>\$ 1,540</b>	<b>\$ 64,201</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2015

	<u>Local Entitlement</u>	<u>Local Entitlement Pre School</u>	<u>Travel Program - Adult Ed</u>	<u>Title VI Rural Low Income</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	150,773	9,799	-	-
Inventory	-	-	-	-
Due from other funds	-	-	342	3,339
<b>TOTAL ASSETS</b>	<u>\$ 150,773</u>	<u>\$ 9,799</u>	<u>\$ 342</u>	<u>\$ 3,339</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 29,909	\$ -	\$ 342	\$ -
Due to other funds	120,864	9,799	-	-
<b>TOTAL LIABILITIES</b>	<u>150,773</u>	<u>9,799</u>	<u>342</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	3,339
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,339</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 150,773</u>	<u>\$ 9,799</u>	<u>\$ 342</u>	<u>\$ 3,339</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	Title IIA	Registrations - Adult Ed	Community Connections - Adult Ed	Food Service	AEFLA - Adult Ed
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	8,250	-
Due from other governments	488	-	-	40,567	7,071
Inventory	-	-	-	22,226	-
Due from other funds	19	4,766	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 507</b>	<b>\$ 4,766</b>	<b>\$ -</b>	<b>\$ 71,043</b>	<b>\$ 7,071</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 507	\$ -	\$ -	\$ 33,062	\$ 100
Due to other funds	-	-	-	37,981	6,971
<b>TOTAL LIABILITIES</b>	<b>507</b>	<b>-</b>	<b>-</b>	<b>71,043</b>	<b>7,071</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	22,226	-
Restricted	-	4,766	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(22,226)	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>4,766</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 507</b>	<b>\$ 4,766</b>	<b>\$ -</b>	<b>\$ 71,043</b>	<b>\$ 7,071</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	Pre-K Expansion Fund	Adult Education	Donations Henry & Norma Zeike	Fuel Stabilization Fund	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	10,369
Due from other governments	988	-	-	-	273,887
Inventory	-	-	-	-	22,226
Due from other funds	-	2,888	-	30,200	153,625
<b>TOTAL ASSETS</b>	<b>\$ 988</b>	<b>\$ 2,888</b>	<b>\$ -</b>	<b>\$ 30,200</b>	<b>\$ 460,107</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	2,858	\$ 84,504
Due to other funds	988	-	-	-	240,261
<b>TOTAL LIABILITIES</b>	<b>988</b>	<b>-</b>	<b>-</b>	<b>2,858</b>	<b>324,765</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	22,226
Restricted	-	2,888	-	-	23,276
Committed	-	-	-	27,342	50,554
Assigned	-	-	-	-	61,512
Unassigned	-	-	-	-	(22,226)
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>2,888</b>	<b>-</b>	<b>27,342</b>	<b>135,342</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 988</b>	<b>\$ 2,888</b>	<b>\$ -</b>	<b>\$ 30,200</b>	<b>\$ 460,107</b>

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Lowes Grant	Walmart Grant	Fast Track	MCASS Fund	Mainecare Fund
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 66,621
Other	-	-	4,973	9,600	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>4,973</u>	<u>9,600</u>	<u>66,621</u>
EXPENDITURES					
Program expenses	37	153	5,689	9,022	8,497
TOTAL EXPENDITURES	<u>37</u>	<u>153</u>	<u>5,689</u>	<u>9,022</u>	<u>8,497</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(37)</u>	<u>(153)</u>	<u>(716)</u>	<u>578</u>	<u>58,124</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(37)	(153)	(716)	578	58,124
FUND BALANCES, JULY 1	<u>287</u>	<u>271</u>	<u>2,046</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 250</u>	<u>\$ 118</u>	<u>\$ 1,330</u>	<u>\$ 578</u>	<u>\$ 58,124</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Laptop Damage	Stephen & Tabitha King	GREF	Private Grant	Fisherman's Academy	Band Donation
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	45,215	-	11,276	39,500	-	1,200
TOTAL REVENUES	<u>45,215</u>	<u>-</u>	<u>11,276</u>	<u>39,500</u>	<u>-</u>	<u>1,200</u>
EXPENDITURES						
Program expenses	<u>72,280</u>	<u>1,725</u>	<u>11,533</u>	<u>39,500</u>		<u>-</u>
TOTAL EXPENDITURES	<u>72,280</u>	<u>1,725</u>	<u>11,533</u>	<u>39,500</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,065)</u>	<u>(1,725)</u>	<u>(257)</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(27,065)	(1,725)	(257)	-	-	1,200
FUND BALANCES, JULY 1	<u>38,226</u>	<u>4,097</u>	<u>257</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 11,161</u>	<u>\$ 2,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,200</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>MEFLI - Adult Ed</u>	<u>FMC Science Grant</u>	<u>Active Schools Acceleration Project</u>	<u>Before School Supervision</u>	<u>Common Good Venture Grant - Adult Ed</u>
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other	15,000	-	-	7,704	-
TOTAL REVENUES	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>7,704</u>	<u>-</u>
EXPENDITURES					
Program expenses	18,225	7,097	-	5,821	1,242
TOTAL EXPENDITURES	<u>18,225</u>	<u>7,097</u>	<u>-</u>	<u>5,821</u>	<u>1,242</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,225)</u>	<u>(7,097)</u>	<u>-</u>	<u>1,883</u>	<u>(1,242)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,225)	(7,097)	-	1,883	(1,242)
FUND BALANCES, JULY 1	<u>3,225</u>	<u>13,260</u>	<u>1,610</u>	<u>6,466</u>	<u>1,242</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ 6,163</u>	<u>\$ 1,610</u>	<u>\$ 8,349</u>	<u>\$ -</u>



REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	College Transitions - Adult Ed	Transitions Grant Proficiency Based	Lonza Grant	Title IA Disadvantage
REVENUES				
Intergovernmental revenue	\$ 45,000	\$ 21,042	\$ -	\$ 649,889
Other	-	-	2,500	-
TOTAL REVENUES	<u>45,000</u>	<u>21,042</u>	<u>2,500</u>	<u>649,889</u>
EXPENDITURES				
Program expenses	45,000	28,077	2,383	649,889
TOTAL EXPENDITURES	<u>45,000</u>	<u>28,077</u>	<u>2,383</u>	<u>649,889</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(7,035)</u>	<u>117</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(7,035)	117	-
FUND BALANCES, JULY 1	<u>-</u>	<u>11,247</u>	<u>1,423</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ 4,212</u>	<u>\$ 1,540</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Local Entitlement</u>	<u>Local Entitlement Pre School</u>	<u>Travel Program - Adult Ed</u>	<u>Title VI Rural Low Income</u>
REVENUES				
Intergovernmental revenue	\$ 680,252	\$ 12,120	\$ -	\$ 37,855
Other	-	-	10,955	-
TOTAL REVENUES	<u>680,252</u>	<u>12,120</u>	<u>10,955</u>	<u>37,855</u>
EXPENDITURES				
Program expenses	<u>680,252</u>	<u>19,688</u>	<u>32,975</u>	<u>44,945</u>
TOTAL EXPENDITURES	<u>680,252</u>	<u>19,688</u>	<u>32,975</u>	<u>44,945</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(7,568)</u>	<u>(22,020)</u>	<u>(7,090)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(7,568)	(22,020)	(7,090)
FUND BALANCES, JULY 1	<u>-</u>	<u>7,568</u>	<u>22,020</u>	<u>10,429</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,339</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Title IIA</u>	<u>Registrations - Adult Ed</u>	<u>Community Connections - Adult Ed</u>	<u>Food Service</u>	<u>AEFLA - Adult Ed</u>
<b>REVENUES</b>					
Intergovernmental revenue	\$ 112,133	\$ -	\$ 5,750	\$ 575,298	\$ 38,373
Other	-	6,452	-	257,260	-
<b>TOTAL REVENUES</b>	<u>112,133</u>	<u>6,452</u>	<u>5,750</u>	<u>832,558</u>	<u>38,373</u>
<b>EXPENDITURES</b>					
Program expenses	112,133	1,686	5,750	1,089,408	38,373
<b>TOTAL EXPENDITURES</b>	<u>112,133</u>	<u>1,686</u>	<u>5,750</u>	<u>1,089,408</u>	<u>38,373</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>4,766</u>	<u>-</u>	<u>(256,850)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	256,850	-
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,850</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	4,766	-	-	-
<b>FUND BALANCES, JULY 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ -</u>	<u>\$ 4,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Pre-K Expansion Fund	Adult Education	Donations Henry & Norma Zeike	Fuel Stabilization Fund	Totals
REVENUES					
Intergovernmental revenue	\$ 988	\$ 140,292	\$ -	\$ -	\$ 2,385,613
Other	-	4,761	-	-	416,396
TOTAL REVENUES	<u>988</u>	<u>145,053</u>	<u>-</u>	<u>-</u>	<u>2,802,009</u>
EXPENDITURES					
Program expenses	988	144,828	-	72,658	3,149,854
TOTAL EXPENDITURES	<u>988</u>	<u>144,828</u>	<u>-</u>	<u>72,658</u>	<u>3,149,854</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>225</u>	<u>-</u>	<u>(72,658)</u>	<u>(347,845)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	256,850
Transfers (out)	-	-	(20,000)	-	(20,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>236,850</u>
NET CHANGE IN FUND BALANCES	-	225	(20,000)	(72,658)	(110,995)
FUND BALANCES, JULY 1	<u>-</u>	<u>2,663</u>	<u>20,000</u>	<u>100,000</u>	<u>246,337</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ 2,888</u>	<u>\$ -</u>	<u>\$ 27,342</u>	<u>\$ 135,342</u>

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

## Capital Projects Funds

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2015

	Capital Projects Fund	Totals
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ -
Due from other funds	18,815	18,815
<b>TOTAL ASSETS</b>	<u>\$ 18,815</u>	<u>\$ 18,815</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	18,815	18,815
Committed	-	-
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCES</b>	<u>18,815</u>	<u>18,815</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,815</u>	<u>\$ 18,815</u>

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Capital Projects Fund	Totals
	<u>          </u>	<u>          </u>
REVENUE		
Interest income	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Program expenses	7,949	7,949
TOTAL EXPENDITURES	<u>7,949</u>	<u>7,949</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(7,949)</u>	<u>(7,949)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(7,949)	(7,949)
FUND BALANCES - JULY 1	<u>26,764</u>	<u>26,764</u>
FUND BALANCES - JUNE 30	<u>\$ 18,815</u>	<u>\$ 18,815</u>

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

## Permanent Funds

Permanent funds are used to account for assets held by Regional School Unit No. 13 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of scholarships.



REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
 JUNE 30, 2015

	<u>Nicholas Stevens Trust</u>	<u>Vincent Ciaravino Trust</u>	<u>Richard Warren Trust</u>	<u>Doris MacDougal Trust</u>	<u>Hermia Toothaker Trust</u>	<u>Taylor/ Knight Foundation</u>	<u>Donations Henry &amp; Norma Zeike</u>	<u>Blaisdell/ Cuccinello Scholarship</u>	<u>Dorothy Smalley Scholarship</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 12,906	\$ 876	\$ 293	\$ -	\$ 7,427	\$ -	\$ 2,238	\$ 1,000	\$ 55,003
Investments	11,847	7,090	2,368	-	60,087	46,105	18,112	8,089	485,949
Due from other funds	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 24,753</u>	<u>\$ 7,966</u>	<u>\$ 2,661</u>	<u>\$ -</u>	<u>\$ 67,514</u>	<u>\$ 46,105</u>	<u>\$ 20,350</u>	<u>\$ 9,089</u>	<u>\$ 540,952</u>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	24,753	7,966	2,661	-	67,514	46,105	20,350	9,089	540,952
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>24,753</u>	<u>7,966</u>	<u>2,661</u>	<u>-</u>	<u>67,514</u>	<u>46,105</u>	<u>20,350</u>	<u>9,089</u>	<u>540,952</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 24,753</u>	<u>\$ 7,966</u>	<u>\$ 2,661</u>	<u>\$ -</u>	<u>\$ 67,514</u>	<u>\$ 46,105</u>	<u>\$ 20,350</u>	<u>\$ 9,089</u>	<u>\$ 540,952</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	<u>Worthington Scholarship</u>	<u>Alumni Scholarship</u>	<u>Pricilla Noddin Trust</u>	<u>Isidor Gordon Trust</u>	<u>Bontuit Scholarship</u>	<u>Miriam Pierce Scholarship</u>	<u>Ione Estes Scholarship</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 114	\$ 1,369	\$ 12,657	\$ 1,474	\$ 1,766	\$ 2,519	\$ 2,511
Investments	941	11,077	102,402	45,292	14,291	20,380	20,314
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,055</u>	<u>\$ 12,446</u>	<u>\$ 115,059</u>	<u>\$ 46,766</u>	<u>\$ 16,057</u>	<u>\$ 22,899</u>	<u>\$ 22,825</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,055	12,446	115,059	46,766	16,057	22,899	22,825
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,055</u>	<u>12,446</u>	<u>115,059</u>	<u>46,766</u>	<u>16,057</u>	<u>22,899</u>	<u>22,825</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,055</u>	<u>\$ 12,446</u>	<u>\$ 115,059</u>	<u>\$ 46,766</u>	<u>\$ 16,057</u>	<u>\$ 22,899</u>	<u>\$ 22,825</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
 JUNE 30, 2015

	<u>Frederick &amp; Claudette V Scholarship</u>	<u>Seekins Scholarship</u>	<u>Hunter Scholarship</u>	<u>Goss Ruggles Scholarship</u>	<u>Harjula Scholarship</u>	<u>Moran Scholarship</u>	<u>Gutoske Scholarship</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 546	\$ 5,654	\$ 1,948	\$ 12,582	\$ 3,944	\$ 255	\$ 76
Investments	4,494	216,634	85,628	552,597	9,454	11,218	2,719
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 5,040</u>	<u>\$ 222,288</u>	<u>\$ 87,576</u>	<u>\$ 565,179</u>	<u>\$ 13,398</u>	<u>\$ 11,473</u>	<u>\$ 2,795</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,040	222,288	87,576	565,179	13,398	11,473	2,795
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>5,040</u>	<u>222,288</u>	<u>87,576</u>	<u>565,179</u>	<u>13,398</u>	<u>11,473</u>	<u>2,795</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,040</u>	<u>\$ 222,288</u>	<u>\$ 87,576</u>	<u>\$ 565,179</u>	<u>\$ 13,398</u>	<u>\$ 11,473</u>	<u>\$ 2,795</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
 JUNE 30, 2015

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 147	\$ 176	\$ 79	\$ 390	\$ 676	\$ 105	\$ 171
Investments	6,213	7,149	2,741	17,146	29,687	3,983	-
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ 6,360</u></u>	<u><u>\$ 7,325</u></u>	<u><u>\$ 2,820</u></u>	<u><u>\$ 17,536</u></u>	<u><u>\$ 30,363</u></u>	<u><u>\$ 4,088</u></u>	<u><u>\$ 171</u></u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,360	7,325	2,820	17,536	30,363	4,088	171
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u><u>6,360</u></u>	<u><u>7,325</u></u>	<u><u>2,820</u></u>	<u><u>17,536</u></u>	<u><u>30,363</u></u>	<u><u>4,088</u></u>	<u><u>171</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 6,360</u></u>	<u><u>\$ 7,325</u></u>	<u><u>\$ 2,820</u></u>	<u><u>\$ 17,536</u></u>	<u><u>\$ 30,363</u></u>	<u><u>\$ 4,088</u></u>	<u><u>\$ 171</u></u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
 JUNE 30, 2015

	<u>Class of 2004</u>	<u>Class of 2005</u>	<u>Mildred Merrill Trust</u>	<u>Class of 2007</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 12	\$ 65	\$ 1,495	\$ 96	\$ 1,708	\$ 147	\$ 439
Investments	94	527	12,093	791	14,074	1,211	9,000
Due from other funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 106</u>	<u>\$ 592</u>	<u>\$ 13,588</u>	<u>\$ 887</u>	<u>\$ 15,782</u>	<u>\$ 1,358</u>	<u>\$ 9,439</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	106	592	13,588	887	15,782	1,358	9,439
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>106</u>	<u>592</u>	<u>13,588</u>	<u>887</u>	<u>15,782</u>	<u>1,358</u>	<u>9,439</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 106</u>	<u>\$ 592</u>	<u>\$ 13,588</u>	<u>\$ 887</u>	<u>\$ 15,782</u>	<u>\$ 1,358</u>	<u>\$ 9,439</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2015

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Killeran Scholarship	Billy Hoch Scholarship	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 9,927	\$ 1,477	\$ 73	\$ -	\$ 16,647	\$ 2,514	\$ 7,655	\$ 171,157
Investments	13,615	27,787	-	37,129	-	20,339	-	1,940,667
Due from other funds	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 23,542</b>	<b>\$ 29,264</b>	<b>\$ 73</b>	<b>\$ 37,129</b>	<b>\$ 16,647</b>	<b>\$ 22,853</b>	<b>\$ 7,655</b>	<b>\$ 2,111,824</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	23,542	29,264	73	37,129	16,647	22,853	7,655	2,111,824
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>23,542</b>	<b>29,264</b>	<b>73</b>	<b>37,129</b>	<b>16,647</b>	<b>22,853</b>	<b>7,655</b>	<b>2,111,824</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 23,542</b>	<b>\$ 29,264</b>	<b>\$ 73</b>	<b>\$ 37,129</b>	<b>\$ 16,647</b>	<b>\$ 22,853</b>	<b>\$ 7,655</b>	<b>\$ 2,111,824</b>

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

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Doris MacDougal Trust	Hermia Toothaker Trust	Taylor/ Knight Foundation	Donations Henry & Norma Zeike	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
REVENUES									
Investment income	\$ 58	\$ 263	\$ 82	\$ 101	\$ 2,294	\$ 59	\$ 388	\$ 284	\$ -
Net gain (loss) on investments	7,057	(75)	277	(14)	(648)	1,191	(152)	815	(3,075)
Contributions	-	-	-	-	-	46,589	200	-	-
TOTAL REVENUES	<u>7,115</u>	<u>188</u>	<u>359</u>	<u>87</u>	<u>1,646</u>	<u>47,839</u>	<u>436</u>	<u>1,099</u>	<u>(3,075)</u>
EXPENDITURES									
Program expenses	10,000	61	19	4,638	3,527	1,734	86	65	23,901
TOTAL EXPENDITURES	<u>10,000</u>	<u>61</u>	<u>19</u>	<u>4,638</u>	<u>3,527</u>	<u>1,734</u>	<u>86</u>	<u>65</u>	<u>23,901</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(2,885)</u>	<u>127</u>	<u>340</u>	<u>(4,551)</u>	<u>(1,881)</u>	<u>46,105</u>	<u>350</u>	<u>1,034</u>	<u>(26,976)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	20,000	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,885)	127	340	(4,551)	(1,881)	46,105	20,350	1,034	(26,976)
FUND BALANCES - JULY 1, RESTATED	<u>27,638</u>	<u>7,839</u>	<u>2,321</u>	<u>4,551</u>	<u>69,395</u>	<u>-</u>	<u>-</u>	<u>8,055</u>	<u>567,928</u>
FUND BALANCES - JUNE 30	<u>\$ 24,753</u>	<u>\$ 7,966</u>	<u>\$ 2,661</u>	<u>\$ -</u>	<u>\$ 67,514</u>	<u>\$ 46,105</u>	<u>\$ 20,350</u>	<u>\$ 9,089</u>	<u>\$ 540,952</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	Worthington Scholarship	Alumni Scholarship	Pricilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
<b>REVENUES</b>							
Investment income	\$ 35	\$ 411	\$ 4,077	\$ 778	\$ 552	\$ 778	\$ 798
Net gain (loss) on investments	(10)	(118)	(764)	(127)	(155)	(214)	(209)
Contributions	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>25</u>	<u>293</u>	<u>3,313</u>	<u>651</u>	<u>397</u>	<u>564</u>	<u>589</u>
<b>EXPENDITURES</b>							
Program expenses	8	95	14,262	102	1,126	1,179	2,183
<b>TOTAL EXPENDITURES</b>	<u>8</u>	<u>95</u>	<u>14,262</u>	<u>102</u>	<u>1,126</u>	<u>1,179</u>	<u>2,183</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>17</u>	<u>198</u>	<u>(10,949)</u>	<u>549</u>	<u>(729)</u>	<u>(615)</u>	<u>(1,594)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	17	198	(10,949)	549	(729)	(615)	(1,594)
<b>FUND BALANCES - JULY 1, RESTATED</b>	<u>1,038</u>	<u>12,248</u>	<u>126,008</u>	<u>46,217</u>	<u>16,786</u>	<u>23,514</u>	<u>24,419</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 1,055</u>	<u>\$ 12,446</u>	<u>\$ 115,059</u>	<u>\$ 46,766</u>	<u>\$ 16,057</u>	<u>\$ 22,899</u>	<u>\$ 22,825</u>



REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	Frederick & Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
REVENUES							
Investment income	\$ 167	\$ 6,196	\$ 3,377	\$ 21,922	\$ 349	\$ 444	\$ 103
Net gain (loss) on investments	(48)	(14,524)	(1,805)	(7,722)	(450)	(856)	43
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>119</u>	<u>(8,328)</u>	<u>1,572</u>	<u>14,200</u>	<u>(101)</u>	<u>(412)</u>	<u>146</u>
EXPENDITURES							
Program expenses	38	6,196	3,377	21,922	349	444	103
TOTAL EXPENDITURES	<u>38</u>	<u>6,196</u>	<u>3,377</u>	<u>21,922</u>	<u>349</u>	<u>444</u>	<u>103</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>81</u>	<u>(14,524)</u>	<u>(1,805)</u>	<u>(7,722)</u>	<u>(450)</u>	<u>(856)</u>	<u>43</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	81	(14,524)	(1,805)	(7,722)	(450)	(856)	43
FUND BALANCES - JULY 1, RESTATED	<u>4,959</u>	<u>236,812</u>	<u>89,381</u>	<u>572,901</u>	<u>13,848</u>	<u>12,329</u>	<u>2,752</u>
FUND BALANCES - JUNE 30	<u>\$ 5,040</u>	<u>\$ 222,288</u>	<u>\$ 87,576</u>	<u>\$ 565,179</u>	<u>\$ 13,398</u>	<u>\$ 11,473</u>	<u>\$ 2,795</u>

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
REVENUES							
Investment income	\$ 244	\$ 274	\$ 102	\$ 668	\$ 1,154	\$ 147	\$ -
Net gain (loss) on investments	(162)	101	40	(779)	(77)	60	(1)
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>82</u>	<u>375</u>	<u>142</u>	<u>(111)</u>	<u>1,077</u>	<u>207</u>	<u>(1)</u>
EXPENDITURES							
Program expenses	<u>244</u>	<u>274</u>	<u>102</u>	<u>668</u>	<u>1,154</u>	<u>147</u>	<u>-</u>
TOTAL EXPENDITURES	<u>244</u>	<u>274</u>	<u>102</u>	<u>668</u>	<u>1,154</u>	<u>147</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(162)</u>	<u>101</u>	<u>40</u>	<u>(779)</u>	<u>(77)</u>	<u>60</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(162)	101	40	(779)	(77)	60	(1)
FUND BALANCES - JULY 1, RESTATED	<u>6,522</u>	<u>7,224</u>	<u>2,780</u>	<u>18,315</u>	<u>30,440</u>	<u>4,028</u>	<u>172</u>
FUND BALANCES - JUNE 30	<u>\$ 6,360</u>	<u>\$ 7,325</u>	<u>\$ 2,820</u>	<u>\$ 17,536</u>	<u>\$ 30,363</u>	<u>\$ 4,088</u>	<u>\$ 171</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Class of 2004</u>	<u>Class of 2005</u>	<u>Mildred Merrill Trust</u>	<u>Class of 2007</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
REVENUES							
Investment income	\$ 4	\$ 20	\$ 449	\$ 29	\$ 521	\$ 44	\$ -
Net gain (loss) on investments	(1)	(6)	(129)	(8)	(149)	(13)	337
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>3</u>	<u>14</u>	<u>320</u>	<u>21</u>	<u>372</u>	<u>31</u>	<u>337</u>
EXPENDITURES							
Program expenses	1	5	104	7	121	10	800
TOTAL EXPENDITURES	<u>1</u>	<u>5</u>	<u>104</u>	<u>7</u>	<u>121</u>	<u>10</u>	<u>800</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>2</u>	<u>9</u>	<u>216</u>	<u>14</u>	<u>251</u>	<u>21</u>	<u>(463)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2	9	216	14	251	21	(463)
FUND BALANCES - JULY 1, RESTATED	<u>104</u>	<u>583</u>	<u>13,372</u>	<u>873</u>	<u>15,531</u>	<u>1,337</u>	<u>9,902</u>
FUND BALANCES - JUNE 30	<u>\$ 106</u>	<u>\$ 592</u>	<u>\$ 13,588</u>	<u>\$ 887</u>	<u>\$ 15,782</u>	<u>\$ 1,358</u>	<u>\$ 9,439</u>

## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Killeran Scholarship	Billy Hoch Scholarship	Totals
<b>REVENUES</b>								
Investment income	\$ (916)	\$ 707	\$ -	\$ 70	\$ 1	\$ 860	\$ 119	\$ 48,013
Net gain (loss) on investments	-	-	-	-	-	348	-	(22,022)
Contributions	-	-	-	-	-	-	-	46,789
<b>TOTAL REVENUES</b>	<u>(916)</u>	<u>707</u>	<u>-</u>	<u>70</u>	<u>1</u>	<u>1,208</u>	<u>119</u>	<u>72,780</u>
<b>EXPENDITURES</b>								
Program expenses	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>477</u>	<u>90</u>	<u>860</u>	<u>500</u>	<u>103,029</u>
<b>TOTAL EXPENDITURES</b>	<u>2,050</u>	<u>-</u>	<u>-</u>	<u>477</u>	<u>90</u>	<u>860</u>	<u>500</u>	<u>103,029</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(2,966)</u>	<u>707</u>	<u>-</u>	<u>(407)</u>	<u>(89)</u>	<u>348</u>	<u>(381)</u>	<u>(30,249)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	20,000
Transfers (out)	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,966)</u>	<u>707</u>	<u>-</u>	<u>(407)</u>	<u>(89)</u>	<u>348</u>	<u>(381)</u>	<u>(10,249)</u>
<b>FUND BALANCES - JULY 1</b>	<u>26,508</u>	<u>28,557</u>	<u>73</u>	<u>37,536</u>	<u>16,736</u>	<u>22,505</u>	<u>8,036</u>	<u>2,122,073</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 23,542</u>	<u>\$ 29,264</u>	<u>\$ 73</u>	<u>\$ 37,129</u>	<u>\$ 16,647</u>	<u>\$ 22,853</u>	<u>\$ 7,655</u>	<u>\$ 2,111,824</u>

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

## General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Totals
Regular education	\$ 221,681	\$ 12,235,025	\$ 2,651,917	\$ -	\$ 15,108,623
Maintenance & operations	56,798	10,964,500	1,183,624	-	12,204,922
Transportation	-	-	1,930,662	-	1,930,662
Administration	-	-	285,512	-	285,512
School lunch program	-	-	219,827	-	219,827
Total General Capital Assets	278,479	23,199,525	6,271,542	-	29,749,546
Less: Accumulated Depreciation	-	(9,770,112)	(4,337,854)	-	(14,107,966)
Net General Capital Assets	\$ 278,479	\$ 13,429,413	\$ 1,933,688	\$ -	\$ 15,641,580

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2015

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
Regular education	\$ 15,083,547	\$ 25,076	\$ -	\$ 15,108,623
Maintenance & operations	12,152,517	52,405	-	12,204,922
Transportation	1,826,410	104,252	-	1,930,662
Administration	25,795	259,717	-	285,512
School lunch program	191,730	28,097	-	219,827
<b>Total General Capital Assets</b>	<b>29,279,999</b>	<b>469,547</b>	<b>-</b>	<b>29,749,546</b>
Less: Accumulated Depreciation	<u>(13,312,641)</u>	<u>(795,325)</u>	<u>-</u>	<u>(14,107,966)</u>
<b>Net General Capital Assets</b>	<b><u>\$ 15,967,358</u></b>	<b><u>\$ (325,778)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 15,641,580</u></b>

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Thru Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through State of Maine - Department of Education:			
USDA Commodities Received	10.550	N/A	\$ 34,472
After School Snack Program	10.555	013-05A-3020-05	1,313
School Lunch	10.555	013-05A-3022-05	50,706
Section II Funds SNP	10.555	013-05A-3024-05	318,303
School Lunch-Performance Based Reimbursement	10.555	013-05A-3125-05	10,141
School Breakfast Program	10.556	013-05A-3014-05	114,784
Summer Food Service Program	10.559	013-05A-3016-05	24,539
Fresh Fruits & Veggies	10.582	013-05A-3028-05	27,931
Total Department of Agriculture			<u>582,189</u>
U.S. Department of Education			
Passed through State of Maine - Department of Education:			
Adult Education and Family Literacy Act	84.002	013-05A-6296-64	44,123
Title IA	84.010	013-05A-3107-13	649,889
Local Entitlement Pre-school	84.173	013-05A-6247-13	19,668
Local Entitlement	84.027	013-05A-3046-12	680,252
Title VI - Rural Low Income	84.358	013-05A-3005-03	44,945
Title IIA - Teaching Quality	84.367	013-05A-3042-11	112,133
Total Department of Education			<u>1,551,010</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,133,199</u>



REGIONAL SCHOOL UNIT NO. 13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Regional School Unit No. 13. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. The following programs were tested as major programs as outlined in OMB Circular A-133.

- 1) 84.010 – Title IA



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Regional School Unit No. 13  
Rockland, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Regional School Unit No. 13's basic financial statements, and have issued our report thereon dated April 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional School Unit No. 13's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 13's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 13's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
April 8, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133

Board of Directors  
Regional School Unit No. 13  
Rockland, Maine

Report on Compliance for Each Major Federal Program

We have audited Regional School Unit No. 13's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Regional School Unit No. 13's major federal programs for the year ended June 30, 2015. Regional School Unit No. 13's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Regional School Unit No. 13's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit No. 13's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Regional School Unit No. 13's compliance.

### Opinion on Each Major Federal Program

In our opinion, Regional School Unit No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### Report on Internal Control Over Compliance

Management of Regional School Unit No. 13 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Regional School Unit No. 13's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
April 8, 2016

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL  
FOR THE YEAR ENDED JUNE 30, 2015

**Section I - Summary of Auditor's Results**

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title IA

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

**Section II – Financial Statement Findings**

None

**Section III – Federal Awards Findings and Questioned Costs**

None



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Directors  
Regional School Unit No. 13  
Rockland, Maine

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2015 and have issued our report thereon dated April 8, 2016. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

The results of our procedures indicate that with respect to the items tested, the Regional School Unit No. 13, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Regional School Unit No. 13 was in noncompliance with, or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Unit and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the MEDMS financial system maintained at the Unit.

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

*RHR Smith & Company*

Buxton, Maine  
April 8, 2016

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REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA  
 SUBMITTED TO THE MEDMS FINANCIAL SYSTEM  
 FOR THE YEAR ENDED JUNE 30, 2015

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Funds (4000)	Totals
June 30 balance per MEDMS Financial System	\$ (639,307)	\$ 83,737	\$ 46,156	\$ (509,414)
<b>Revenue Adjustments:</b>				
<b>Other Adjustments:</b>				
Funds incorrect on MEDMS:				
Title IA Disadvantaged (2300)	-	(146)	-	(146)
Local Entitlement (2470)	-	(45)	-	(45)
Title IIA (2700)	-	(4)	-	(4)
Funds not reported on MEDMS:				
MCASS Fund	-	578	-	578
Beginning balance variance:				
Grants-in-Aid (2020)	-	23,880	-	23,880
Fuel Stabilization Fund (2031)	-	27,342	(27,342)	-
Accrued compensated absences	(65,204)	-	-	(65,204)
Audit adjustments	(2,057)	-	-	(2,057)
Rounding	-	-	1	1
Audited GAAP Basis Fund balance June 30	<u>\$ (706,568)</u>	<u>\$ 135,342</u>	<u>\$ 18,815</u>	<u>\$ (552,411)</u>