

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2011



Proven Expertise and Integrity

REGIONAL SCHOOL UNIT NO. 13

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JUNE 30, 2011

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Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

September 29, 2011

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School Unit No. 13, as of and for the year ended June 30, 2011, which collectively comprise the Unit's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Unit's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As stated in Note 11, the Unit has not fully accrued its summer teacher pay in the modified accrual basis financial statements, which would have decreased the fund balance in the general fund by \$1,527,323.

In our opinion, except for the item mentioned above, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School Unit No. 13 as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011, on our consideration of Regional School Unit No. 13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 35 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 13's financial statements as a whole. The accompanying 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 not a required part of the financial statements. The schedule of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

(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, 2011. 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 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 Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets 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). Most of the Unit's basic services are reported in governmental activities, which include instruction, instructional support, administration, operations 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 Assets - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

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 assets, and changes in net assets of the Unit's governmental activities. The Unit's total net assets for governmental activities increased by \$545,813 to a balance of \$14.05 million at year end.

Unrestricted net assets - the part of net assets 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 by \$822,324 to a balance of \$324,541 at the end of the fiscal year.

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

| | <u>2011</u> | <u>2010</u> |
|------------------------------------|----------------------|----------------------|
| Assets: | | |
| Current and other assets | \$ 4,875,613 | \$ 4,463,430 |
| Capital Assets | <u>16,414,646</u> | <u>17,160,164</u> |
| Total Assets | <u>\$ 21,290,259</u> | <u>\$ 21,623,594</u> |
| Liabilities: | | |
| Current Liabilities | \$ 3,085,984 | \$ 3,107,578 |
| Long-term Debt Outstanding | <u>4,155,080</u> | <u>5,012,634</u> |
| Total Liabilities | <u>\$ 7,241,064</u> | <u>\$ 8,120,212</u> |
| Net Assets: | | |
| Invested in Capital Assets, | | |
| Net of related Debt | \$ 11,377,892 | \$ 11,104,680 |
| Restricted : Special revenue funds | 401,640 | 988,814 |
| Permanent funds | 1,945,122 | 1,907,671 |
| Unrestricted | <u>324,541</u> | <u>(497,783)</u> |
| Total Net Assets | <u>\$ 14,049,195</u> | <u>\$ 13,503,382</u> |

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

| | <u>2011</u> | <u>2010</u> |
|-------------------------------------|----------------------|----------------------|
| Revenues: | | |
| Support from Towns | \$ 21,723,553 | \$ 22,735,984 |
| Intergovernmental | 8,052,620 | 11,334,631 |
| Charges for services | 193,496 | 165,780 |
| Miscellaneous | 737,925 | 1,517,795 |
| Total Revenues | <u>30,707,594</u> | <u>35,754,190</u> |
| Expenses: | | |
| Current: | | |
| Instruction | 9,539,529 | 11,032,598 |
| Special education | 3,311,387 | 3,762,604 |
| Career & technical | 917,021 | 952,832 |
| Other instructional | 575,544 | 597,330 |
| Student & staff support | 2,485,612 | 3,413,070 |
| System administration | 617,873 | 717,273 |
| School administration | 1,509,097 | 1,714,797 |
| Facilities | 3,582,655 | 3,900,493 |
| Transportation | 1,403,222 | 1,398,323 |
| Interest on long term debt | 243,470 | 284,395 |
| State of Maine on - behalf payments | 2,110,608 | 2,307,197 |
| Program expenses | 3,865,763 | 4,757,952 |
| Total Expenses | <u>30,161,781</u> | <u>34,838,864</u> |
| Change in Net Assets | 545,813 | 915,326 |
| Equity transfer from members | - | 12,588,056 |
| Net Assets - July 1 | <u>13,503,382</u> | <u>-</u> |
| Net Assets - June 30 | <u>\$ 14,049,195</u> | <u>\$ 13,503,382</u> |

Revenues and Expenses

Revenues for the Unit's governmental activities decreased by 14.11%, while total expenses decreased by 13.43%. Most of the Unit's revenues and expenses were consistent with the previous year with minor increases or decreases. The biggest decrease in expenses was in instruction and the biggest decrease in revenues was in intergovernmental.

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, unreserved 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,

| | 2011 | 2010 |
|------------------------|--------------|--------------|
| Major Funds: | | |
| General Fund: | | |
| Unassigned | \$ 2,161,820 | \$ (378,301) |
| Total Major Funds | \$ 2,161,820 | \$ (378,301) |
| Nonmajor Funds: | | |
| Special revenue funds: | | |
| Nonspendable | \$ 9,634 | \$ 9,306 |
| Restricted | 401,640 | 988,814 |
| Committed | 20,455 | - |
| Assigned | 29,072 | - |
| Unassigned | (369,117) | (128,788) |
| Permanent funds | | |
| Restricted | 1,945,122 | 1,907,671 |
| Total Nonmajor Funds | \$ 2,036,806 | \$ 2,777,003 |

The general fund total fund balance increased by \$2,540,121 over the prior fiscal year. The non-major fund balances decreased by \$740,197 over 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 over the budget by \$156,007. This was a result of many revenues being receipted over budget.

The general fund actual expenditures were under the budget by \$667,438. All expenditures were under budget with the exception of transportation, debt service principal and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2011, the net book value of capital assets recorded by the Unit decreased by \$745,518 over the prior fiscal year. The decrease was due to current year depreciation.

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

| | <u>2011</u> | <u>2010</u> |
|-----------------------|----------------------|----------------------|
| Land | \$ 211,479 | \$ 211,479 |
| Art work | 67,000 | 67,000 |
| Land improvements | 492,857 | 551,178 |
| Buildings | 14,269,635 | 14,714,040 |
| Machinery & equipment | 1,022,822 | 1,178,449 |
| Vehicles | <u>350,853</u> | <u>438,018</u> |
| Total | <u>\$ 16,414,646</u> | <u>\$ 17,160,164</u> |

Debt

At June 30, 2011, the Unit had an obligation to pay for \$4.53 million in bonds outstanding versus \$5.16 million last year, a decrease of 12.25%, as shown in Note 5 of the financial statements.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The 2011-2012 budget will not be affected by any significant economic factors.

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 ASSETS
JUNE 30, 2011

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash | \$ 2,941,733 |
| Investments | 1,859,166 |
| Accounts receivable (net of allowance for uncollectibles): | |
| Intergovernmental | 65,080 |
| Inventory | <u>9,634</u> |
| Total current assets | <u>4,875,613</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Land, infrastructure, and other assets not being depreciated | 278,479 |
| Buildings and equipment, net of accumulated depreciation | <u>16,136,167</u> |
| Total noncurrent assets | <u>16,414,646</u> |
| TOTAL ASSETS | <u>\$ 21,290,259</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 109,534 |
| Accrued payroll | 1,909,154 |
| Other payables | 137,508 |
| Due to other governments | 48,114 |
| Current portion of long-term obligations | <u>881,674</u> |
| Total current liabilities | <u>3,085,984</u> |
| Noncurrent liabilities | |
| Noncurrent portion of long-term obligations: | |
| Obligation for bonds payable | 3,937,000 |
| Capital leases payable | <u>218,080</u> |
| Total noncurrent liabilities | <u>4,155,080</u> |
| TOTAL LIABILITIES | <u>7,241,064</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 11,377,892 |
| Restricted: Special revenue funds | 401,640 |
| Permanent funds | 1,945,122 |
| Unrestricted | <u>324,541</u> |
| TOTAL NET ASSETS | <u>14,049,195</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 21,290,259</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, 2011

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|-------------------------------------|--------------|----------------------|----------------------------------|--------------------------------|---------------------------------|
| | | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Revenue & Changes in Net Assets |
| | | | | | Total Governmental Activities |
| Governmental activities | | | | | |
| Current: | | | | | |
| Instruction | \$ 9,539,529 | \$ 189,357 | \$ - | \$ - | \$ (9,350,172) |
| Special education | 3,311,387 | - | - | - | (3,311,387) |
| Career & technical | 917,021 | - | - | - | (917,021) |
| Other instructional | 575,544 | - | - | - | (575,544) |
| Student & staff support | 2,485,612 | - | - | - | (2,485,612) |
| System administration | 617,873 | - | - | - | (617,873) |
| School administration | 1,509,097 | - | - | - | (1,509,097) |
| Facilities | 3,582,655 | - | - | - | (3,582,655) |
| Transportation | 1,403,222 | 4,139 | - | - | (1,399,083) |
| Interest on long term debt | 243,470 | - | - | - | (243,470) |
| State of Maine on - behalf payments | 2,110,608 | - | 2,110,608 | - | - |
| Program expenses | 3,865,763 | - | 2,401,434 | - | (1,464,329) |
| Total government | 30,161,781 | 193,496 | 4,512,042 | - | (25,456,243) |

STATEMENT B (CONTINUED)

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Changes in net assets: | |
| Net (expense) revenue | <u>(25,456,243)</u> |
| General revenue: | |
| Support from towns | 21,723,553 |
| Grants and contributions not restricted to specific programs | 3,540,578 |
| Miscellaneous | <u>737,925</u> |
| Total general revenue | <u>26,002,056</u> |
| Change in net assets | 545,813 |
| NET ASSETS - JULY 1 | <u>13,503,382</u> |
| NET ASSETS - JUNE 30 | <u>\$ 14,049,195</u> |

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

REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

| | General Fund | Other Governmental Funds | Totals Governmental Funds |
|--|----------------------------|--------------------------------|---------------------------------|
| ASSETS | | | |
| Cash | \$ 2,855,777 | \$ 85,956 | \$ 2,941,733 |
| Investments | - | 1,859,166 | 1,859,166 |
| Accounts receivables (net of allowance for uncollectibles): | | | |
| Intergovernmental | 8,874 | 56,206 | 65,080 |
| Inventory | - | 9,634 | 9,634 |
| Due from other funds | 415,149 | 440,993 | 856,142 |
| TOTAL ASSETS | <u>\$ 3,279,800</u> | <u>\$ 2,451,955</u> | <u>\$ 5,731,755</u> |
| LIABILITIES AND FUND EQUITY | | | |
| Liabilities | | | |
| Accounts payable | \$ 109,534 | \$ - | \$ 109,534 |
| Accrued payroll | 381,831 | - | 381,831 |
| Other payables | 137,508 | - | 137,508 |
| Due to other governments | 48,114 | - | 48,114 |
| Due to other funds | 440,993 | 415,149 | 856,142 |
| TOTAL LIABILITIES | <u>1,117,980</u> | <u>415,149</u> | <u>1,533,129</u> |
| Fund Equity | | | |
| Reserved, reported in: | | | |
| Nonspendable | - | 9,634 | 9,634 |
| Restricted | - | 2,346,762 | 2,346,762 |
| Committed | - | 20,455 | 20,455 |
| Assigned | - | 29,072 | 29,072 |
| Unassigned | 2,161,820 | (369,117) | 1,792,703 |
| TOTAL FUND EQUITY | <u>2,161,820</u> | <u>2,036,806</u> | <u>4,198,626</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 3,279,800</u> | <u>\$ 2,451,955</u> | <u>\$ 5,731,755</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 ASSETS
JUNE 30, 2011

| | Total Governmental Funds |
|---|--------------------------------|
| | |
| Total Fund Equity | \$ 4,198,626 |
| Amounts reported for governmental activities in the statement are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation | 16,414,646 |
| Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above: | |
| Accrued teacher pay (see note | (1,527,323) |
| Obligation for bonds payable | (4,531,750) |
| Capital leases payable | (505,004) |
| | \$ 14,049,195 |
| Net assets of governmental activities | |

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

STATEMENT E

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | General Fund | Other Governmental Funds | Totals Governmental Funds |
|--|---------------------|--------------------------------|---------------------------------|
| REVENUES | | | |
| Support from towns | \$ 21,723,553 | \$ - | \$ 21,723,553 |
| Intergovernmental revenues | 5,651,186 | 2,401,434 | 8,052,620 |
| Charges for services | 193,496 | - | 193,496 |
| Miscellaneous | 83,880 | 654,045 | 737,925 |
| TOTAL REVENUES | 27,652,115 | 3,055,479 | 30,707,594 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction | 9,657,251 | - | 9,657,251 |
| Special education | 3,311,387 | - | 3,311,387 |
| Career & technical | 917,021 | - | 917,021 |
| Other instructional | 575,544 | - | 575,544 |
| Student & staff support | 2,485,612 | - | 2,485,612 |
| System administration | 616,773 | - | 616,773 |
| School administration | 1,509,097 | - | 1,509,097 |
| Facilities | 3,344,368 | - | 3,344,368 |
| Transportation | 1,323,428 | - | 1,323,428 |
| Debt service: | | | |
| Principal | 673,029 | - | 673,029 |
| Interest | 243,470 | - | 243,470 |
| State of Maine on - behalf payments | 2,110,608 | - | 2,110,608 |
| Program expenses | - | 3,856,758 | 3,856,758 |
| TOTAL EXPENDITURES | 26,767,588 | 3,856,758 | 30,624,346 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 884,527 | (801,279) | 83,248 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 21,258 | 193,412 | 214,670 |
| Operating transfers (out) | (82,340) | (132,330) | (214,670) |
| TOTAL OTHER FINANCING SOURCES (USES) | (61,082) | 61,082 | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 823,445 | (740,197) | 83,248 |
| FUND BALANCES - JULY 1 | 1,338,375 | 2,777,003 | 4,115,378 |
| FUND BALANCES - JUNE 30 | \$ 2,161,820 | \$ 2,036,806 | \$ 4,198,626 |

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, 2011

| | |
|--|--------------------------|
| Net change in fund balances - total governmental funds (Statement E) | <u>\$ 83,248</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 to allocated those expenditures over the life of the assets: | |
| Capital assets transferred from members | - |
| Capital asset deletions | - |
| Depreciation expense | <u>(745,518)</u> |
| | <u>(745,518)</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 Assets | |
| | <u>1,018,730</u> |
| Debt transferred from members provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets | |
| | <u>-</u> |
| Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds: | |
| Accrued summer teacher pay | <u>189,353</u> |
| Change in net assets of governmental activities (Statement B) | <u><u>\$ 545,813</u></u> |

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

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011

| | <u>Fiduciary Fund Types</u> |
|----------------------------------|---------------------------------|
| | <u>Agency Funds</u> |
| ASSETS | |
| Current assets: | |
| Cash | <u>\$ 93,254</u> |
| TOTAL ASSETS | <u><u>\$ 93,254</u></u> |
| LIABILITIES | |
| Current liabilities | |
| Deposits held for others | <u>\$ 93,254</u> |
| Total liabilities | <u>93,254</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 93,254</u></u> |

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 Statement No. 39.

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 Assets, the governmental activity column is (a) presented on a consolidated basis by column, and (b) is 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 assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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 (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, 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, 2011

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 assets 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, liabilities, reserves, fund equity, 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. Permanent Funds are used to account for assets held by the Unit in trust for specific purposes.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

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. Non-major 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.

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

| | |
|----------------------------------|----------------------|
| Revenues per budgetary basis | \$ 25,562,765 |
| Add: On-behalf payments | <u>2,110,608</u> |
| Total GAAP basis | <u>\$ 27,673,373</u> |
| | |
| Expenditures per budgetary basis | \$ 24,739,320 |
| Add: On-behalf basis | <u>2,110,608</u> |
| Total GAAP basis | <u>\$ 26,849,928</u> |

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

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, 2011.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 obligations to pay notes or bonds payable, capital leases and compensated absences.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 not permit employees to accumulate earned but unused vacation and sick leave. However, the school department allows certain teachers to accumulated unused 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.

Reserves

The Unit records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Unit's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

Net Assets / Fund Balances

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Unit or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. 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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 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.

The Unit is in the process of updating a set of financial policies to guide the financial operation of the Unit. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

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, 2011

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. For budgetary purposes, appropriations lapse at fiscal year-end. The Unit does not utilize encumbrance accounting for its general fund.

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, 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. These investment policies apply to all Unit funds.

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 or will not be able to recover collateral securities that are in possession of an outside party. The Unit does not have a policy covering custodial credit risk.

At June 30, 2011, the Unit's cash balance of \$3,034,987 was comprised of deposits amounting to \$3,276,519. Of this amount, \$589,596 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$2,686,923 was collateralized with securities held by the financial institution in the Unit's name and consequently was not exposed to custodial credit risk.

| <u>Account Type</u> | Bank <u>Balance</u> |
|-----------------------|------------------------|
| Checking accounts | \$ 349,796 |
| Repurchase agreements | 2,840,768 |
| Savings accounts | 85,955 |
| | <u>\$ 3,276,519</u> |

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2011, the Unit's investments amounted to \$1,859,166. Of this amount, \$500,000 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,359,166 was insured or collateralized with securities held by the financial institution in the Unit's name and consequently were not exposed to custodial credit risk.

| <u>Investment Type</u> | <u>Current</u> | <u>1 Year</u> | <u>2 - 5 Years</u> |
|------------------------|---------------------|---------------|--------------------|
| Mutual Funds | \$ 1,859,166 | \$ - | \$ - |
| | <u>\$ 1,859,166</u> | <u>\$ -</u> | <u>\$ -</u> |

The Unit has determined that it has complied with state and federal laws governing the investment of public funds.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2011 consisted of the following individual fund receivables and payables:

| | <u>Receivables (Due From)</u> | <u>Payables (Due To)</u> |
|---------------------------------|-----------------------------------|------------------------------|
| General Fund | \$ 415,149 | \$ 440,993 |
| Non-major Special Revenue Funds | 440,993 | 415,149 |
| | <u>\$ 856,142</u> | <u>\$ 856,142</u> |

REGIONAL SCHOOL UNIT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2011:

| | Balance, 7/1/10 | Additions | Deletions | Balance, 6/30/11 |
|--------------------------------|----------------------|---------------------|-------------|----------------------|
| 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 | 21,350,860 | - | - | 21,350,860 |
| Machinery & equipment | 3,129,332 | - | - | 3,129,332 |
| Vehicles | 1,678,627 | - | - | 1,678,627 |
| | <u>27,411,172</u> | <u>-</u> | <u>-</u> | <u>27,411,172</u> |
| Less: accumulated depreciation | <u>(10,529,487)</u> | <u>(745,518)</u> | <u>-</u> | <u>(11,275,005)</u> |
| | <u>16,881,685</u> | <u>(745,518)</u> | <u>-</u> | <u>16,136,167</u> |
| Net capital assets | <u>\$ 17,160,164</u> | <u>\$ (745,518)</u> | <u>\$ -</u> | <u>\$ 16,414,646</u> |

Current Year Depreciation

| | |
|----------------------------|-------------------|
| Regular education | \$ 417,332 |
| Maintenance and operations | 238,287 |
| Transportation | 79,794 |
| Administration | 1,100 |
| School lunch | <u>9,005</u> |
| Total depreciation expense | <u>\$ 745,518</u> |

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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, 7/1/10 | Additions | Reductions | Balance, 6/30/11 | Due Within One Year |
|------------------------|---------------------|-------------|-----------------------|---------------------|------------------------|
| Bonds payable | \$ 5,164,600 | \$ - | \$ (632,850) | \$ 4,531,750 | \$ 594,750 |
| Note payable | 24,120 | - | (24,120) | - | - |
| Capital leases payable | 866,764 | - | (361,760) | 505,004 | 286,924 |
| Totals | <u>\$ 6,055,484</u> | <u>\$ -</u> | <u>\$ (1,018,730)</u> | <u>\$ 5,036,754</u> | <u>\$ 881,674</u> |

The following is a summary of bonds and notes outstanding as of June 30, 2011:

| | |
|---|---------------------|
| \$2,760,000, 1997 General Obligation bond due in annual installments of \$138,000 in principal through November 2017. The interest rate varies from 5.276% to 5.776% per annum. | \$ 966,000 |
| \$1,582,500, 1999 General Obligation bond due in annual installments of \$105,500 in principal through November 2014. The interest rate varies from 4.039% to 5.239% per annum. | 422,000 |
| \$2,225,000, 2002 General Obligation bond due in annual installments of \$111,250 in principal through November 2021. The interest rate varies from 3.048% to 5.423% per annum. | 1,223,750 |
| \$4,800,000, 1998 General Obligation bond due in annual installments of \$240,000 in principal through November 2015. The interest rate varies from 4.528% to 5.378% per annum. | <u>1,920,000</u> |
| Total bonds payable | <u>\$ 4,531,750</u> |

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

| Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|--------------------------------|---------------------|-------------------|---------------------|
| 2012 | \$ 594,750 | \$ 219,572 | \$ 814,322 |
| 2013 | 594,750 | 193,746 | 788,496 |
| 2014 | 594,750 | 163,244 | 757,994 |
| 2015 | 594,750 | 131,808 | 726,558 |
| 2016 | 934,250 | 103,217 | 1,037,467 |
| 2017-2021 | 1,218,500 | 17,904 | 1,236,404 |
| 2022-2026 | - | 6,378 | 6,378 |
| | <u>\$ 4,531,750</u> | <u>\$ 835,869</u> | <u>\$ 5,367,619</u> |

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

The Unit leases computers, photocopiers, and a bus under non-cancelable lease agreements.

Future minimum payments, for the next five years ending June 30, are as follows:

| Year Ending <u>June 30:</u> | |
|---|-------------------|
| 2012 | \$ 306,045 |
| 2013 | 139,603 |
| 2014 | 90,164 |
| 2015 | - |
| 2016 | - |
| | <u>\$ 535,812</u> |
| Less: amount representing interest | <u>(30,808)</u> |
| Present value of minimum lease payments | <u>\$ 505,004</u> |

REGIONAL SCHOOL UNIT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 - RESTRICTED NET ASSETS

The following net assets have been reserved at June 30, 2011 for the following purposes:

| | |
|-------------------------------------|----------------------------|
| Reserved for special revenue funds | |
| State Stabilization | \$ 265,739 |
| ARRA Title IA | 36,537 |
| ARRA Local Entitlement Pre School | 15,833 |
| Gref- Educationing Aquaponics Grant | 10 |
| Gref- Restorative Justice Grant | 625 |
| MCASS | 892 |
| Anomino | 6,268 |
| Gref- Rolling on the River Grant | 776 |
| Common Good Venture Grant | 10,560 |
| DHHS After School Program | 17,222 |
| Tobacco Free Grant | 10,174 |
| DOE Tyler Tech Support Grant | 1,474 |
| Gref- World Language West Side | 250 |
| Lonza Grant | 915 |
| Title VI Rural Low Income | 17,914 |
| Fema Grant | 15,651 |
| Target Field Trip Grant | <u>800</u> |
| Subtotal Special Revenue Funds | 401,640 |
| Reserved for permanent funds | <u>1,945,122</u> |
| | <u><u>\$ 2,346,762</u></u> |

NOTE 7 – RISK MANAGEMENT

The Unit is a member of the Maine School Management Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Unit pays an annual premium to the fund for its worker’s compensation coverage. The Unit’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Unit’s for claims in excess of \$400,000 with an excess limit of \$2,000,000.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – RISK MANAGEMENT (CONTINUED)

The Unit is also a member of the Maine School Management Association – Property and Casualty Pool (“Pool”). As with the Fund above, the Pool was created to obtain lower rates for its members. The Unit pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, to \$26,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

NOTE 8 - PENSION PLAN

All school teachers, plus other qualified educators, participate in the Maine State Retirement System’s teacher group. The system is an agent multiple-employer public retirement system. Employees are eligible for normal retirement upon attaining the age of 60, provided they have 25 years of credible service. Employees are penalized 2.5% for each year of early retirement.

Employees are required to contribute 7.65% of their compensation to the retirement system. The Unit is not required to make any contributions to this plan with the exception of federally funded teachers. The contribution of these federally funded teachers is the actuarial determined rate which was 17.78% for the current fiscal year.

The Unit’s payroll for employees covered by this group was approximately \$11,884,056 for the year ended June 30, 2011. The State of Maine is required to contribute the employer contribution which amounts to 17.76% of compensation. Contributions paid by the State were approximately \$2,110,608 for the year ended June 30, 2011. There is no contribution required by the Unit, except for federally funded teachers. For the year ended June 30, 2011, the Unit contributed approximately \$126,936 for these federally funded employees. The funding status and progress for the System may be obtained by contacting the Maine State Retirement System.

NOTE 9 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2011:

| | | |
|----------------------------|----|---------------|
| Transportation (Article 8) | \$ | 656 |
| Debt Service | | 66,714 |
| Transfers to other funds | | 2,340 |
| | \$ | <u>69,710</u> |

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the 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 11 – ACCRUED SUMMER TEACHER PAY

For the year ended June 30, 2011, Regional School Unit No. 13 has only recorded 20 percent or \$381,831 of the total amount for the summer teacher pay in the modified accrual financial statements. The total amount of the accrual \$1,909,154 has been recorded as a liability in the full accrual financial statements. If the full amount of this liability had been recorded in the modified accrual financial statements the fund balance would have been \$634,497. It is the plan of the Unit over a 5 year period starting fiscal year June 30, 2011, to fully fund the accrued summer teacher pay.

NOTE 12 – DEFICIT FUND BALANCES

As of June 30, 2011, the following funds had deficit fund balances:

Non-major Funds:

| | | |
|-------------------------------|----|----------------|
| ARRA Local Entitlement | \$ | 89,496 |
| Maine State Prison Tech Grant | | 225 |
| Gref-Video Quick Grant | | 29 |
| Title IA Disadvantaged | | 62,784 |
| Local Entitlement | | 37,191 |
| Local Entitlement Pre-School | | 1,540 |
| 21st Century Grant | | 203 |
| Title IID | | 533 |
| Title IIA | | 52,354 |
| Food Service | | 79,888 |
| AEFLA | | 10,535 |
| Computer buyout | | 34,339 |
| | \$ | <u>369,117</u> |

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

REGIONAL SCHOOL UNIT NO. 13

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011

| | Budgeted Amounts | | Actual Amounts | Variance |
|--|---------------------|---------------------|---------------------|------------------------|
| | Original | Final | | Positive (Negative) |
| Budgetary Fund Balance, July 1 | \$ 1,338,375 | \$ 1,338,375 | \$ 1,338,375 | \$ - |
| Resources (Inflows): | | | | |
| Support from towns | 21,723,553 | 21,723,553 | 21,723,553 | - |
| Intergovernmental revenues: | | | | |
| State subsidy | 3,393,930 | 3,393,930 | 3,393,928 | (2) |
| State agency client | 18,220 | 18,220 | 71,751 | 53,531 |
| Medicaid | - | - | 27,519 | 27,519 |
| Other | 94,805 | 94,805 | 47,380 | (47,425) |
| Charges for services | 161,250 | 161,250 | 193,496 | 32,246 |
| Interest income | - | - | 16,045 | 16,045 |
| Miscellaneous revenues | 15,000 | 15,000 | 67,835 | 52,835 |
| Transfers from other funds | - | - | 21,258 | 21,258 |
| Amounts Available for Appropriation | <u>26,745,133</u> | <u>26,745,133</u> | <u>26,901,140</u> | <u>156,007</u> |
| Charges to Appropriations (Outflows): | | | | |
| Current: | | | | |
| Instruction | 9,849,842 | 9,849,842 | 9,657,251 | 192,591 |
| Special education | 3,332,635 | 3,332,635 | 3,311,387 | 21,248 |
| Career & technical | 924,497 | 924,497 | 917,021 | 7,476 |
| Other instructional | 598,138 | 598,138 | 575,544 | 22,594 |
| Student & staff support | 2,650,750 | 2,650,750 | 2,485,612 | 165,138 |
| System administration | 661,569 | 661,569 | 616,773 | 44,796 |
| School administration | 1,591,849 | 1,591,849 | 1,509,097 | 82,752 |
| Facilities | 3,544,921 | 3,544,921 | 3,344,368 | 200,553 |
| Transportation | 1,322,772 | 1,322,772 | 1,323,428 | (656) |
| Debt service: | | | | |
| Principal | 594,750 | 594,750 | 673,029 | (78,279) |
| Interest | 255,035 | 255,035 | 243,470 | 11,565 |
| Transfers to other funds | 80,000 | 80,000 | 82,340 | (2,340) |
| Total Charges to Appropriations | <u>25,406,758</u> | <u>25,406,758</u> | <u>24,739,320</u> | <u>667,438</u> |
| Budgetary Fund Balance, June 30 | <u>\$ 1,338,375</u> | <u>\$ 1,338,375</u> | <u>\$ 2,161,820</u> | <u>\$ 823,445</u> |
| Utilization of undesignated fund balance | \$ - | \$ - | \$ - | \$ - |
| Utilization of designated fund balance | - | - | - | - |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying independent auditors' report.

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
- 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 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
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Appropriations</u> | <u>Expenditures</u> | <u>Lapsed</u> |
|---|-----------------------|---------------------|----------------|
| INSTRUCTION (Article 1) | | | |
| Instruction | \$ 9,393,910 | \$ 9,322,820 | \$ 71,090 |
| Contingency | 100,000 | - | 100,000 |
| Alternative education | 277,942 | 259,804 | 18,138 |
| English as a second language | 77,990 | 74,627 | 3,363 |
| Totals | <u>9,849,842</u> | <u>9,657,251</u> | <u>192,591</u> |
| SPECIAL EDUCATION (Article 2) | | | |
| Resource room | 1,333,820 | 1,431,895 | (98,075) |
| Life skills | 469,013 | 463,021 | 5,992 |
| Day treatment | 692,602 | 626,409 | 66,193 |
| Extended year program | 9,808 | 7,821 | 1,987 |
| Evaluator | 109,764 | 108,548 | 1,216 |
| Speech services | 307,732 | 320,112 | (12,380) |
| OT/PT services | 65,978 | 69,226 | (3,248) |
| Hospital/homebound | 2,564 | 10,314 | (7,750) |
| Gifted and talented | 91,987 | 78,367 | 13,620 |
| Administration | 249,367 | 195,674 | 53,693 |
| Totals | <u>3,332,635</u> | <u>3,311,387</u> | <u>21,248</u> |
| CAREER AND TECHNICAL (Article 3) | | | |
| Career & technical education | <u>924,497</u> | <u>917,021</u> | <u>7,476</u> |
| Totals | <u>924,497</u> | <u>917,021</u> | <u>7,476</u> |
| OTHER INSTRUCTIONAL (Article 4) | | | |
| Student activities | 91,129 | 93,024 | (1,895) |
| Athletics | <u>507,009</u> | <u>482,520</u> | <u>24,489</u> |
| Totals | <u>598,138</u> | <u>575,544</u> | <u>22,594</u> |

SCHEDULE 2(CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Appropriations</u> | <u>Expenditures</u> | <u>Lapsed</u> |
|--|-----------------------|---------------------|----------------|
| STUDENT AND STAFF SUPPORT (Article 5) | | | |
| Guidance | \$ 704,884 | \$ 685,649 | \$ 19,235 |
| Student 504 services | 40,674 | 2,696 | 37,978 |
| Instructional staff training | 26,398 | 2,079 | 24,319 |
| Library | 478,756 | 465,498 | 13,258 |
| Instructional technology | 563,235 | 550,923 | 12,312 |
| Technology administration | 278,387 | 267,358 | 11,029 |
| Health services | 255,523 | 249,204 | 6,319 |
| Improvement of instruction | 261,728 | 240,057 | 21,671 |
| Student assessment | 36,165 | 22,148 | 14,017 |
| Student and staff support contingency | 5,000 | - | 5,000 |
| Totals | <u>2,650,750</u> | <u>2,485,612</u> | <u>165,138</u> |
| SYSTEM ADMINISTRATION (Article 6) | | | |
| School board | 119,373 | 85,508 | 33,865 |
| Office of the superintendent | 228,039 | 225,891 | 2,148 |
| Business office | 314,157 | 305,374 | 8,783 |
| Totals | <u>661,569</u> | <u>616,773</u> | <u>44,796</u> |
| SCHOOL ADMINISTRATION (Article 7) | | | |
| School administration | 1,591,849 | 1,509,097 | 82,752 |
| Totals | <u>1,591,849</u> | <u>1,509,097</u> | <u>82,752</u> |
| FACILITIES (Article 9) | | | |
| Operations & maintenance - schools | 1,737,702 | 1,687,056 | 50,646 |
| Custodial services | 1,169,488 | 1,129,147 | 40,341 |
| Contingency | 100,000 | - | 100,000 |
| District maintenance | 537,731 | 528,165 | 9,566 |
| Totals | <u>3,544,921</u> | <u>3,344,368</u> | <u>200,553</u> |

SCHEDULE 2(CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Appropriations</u> | <u>Expenditures</u> | <u>Lapsed</u> |
|---------------------------------|-----------------------|----------------------|-------------------|
| TRANSPORTATION (Article 8) | 1,322,772 | 1,323,428 | (656) |
| DEBT SERVICE | | | |
| Principal | 594,750 | 673,029 | (78,279) |
| Interest | 255,035 | 243,470 | 11,565 |
| Totals | 849,785 | 916,499 | (66,714) |
| TRANSFERS TO OTHER FUNDS | | | |
| Food service transfer | 80,000 | 80,000 | - |
| Title V | - | 2,340 | - |
| Totals | 80,000 | 82,340 | - |
| TOTAL | <u>\$ 25,406,758</u> | <u>\$ 24,739,320</u> | <u>\$ 669,778</u> |

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

| | Special Revenue Funds | Permanent Funds | Total Nonmajor Governmental Funds |
|-----------------------------------|-----------------------------|-----------------------------|---|
| | <u> </u> | <u> </u> | <u> </u> |
| ASSETS | | | |
| Cash | \$ - | \$ 85,956 | \$ 85,956 |
| Investments | - | 1,859,166 | 1,859,166 |
| Accounts receivable | 56,206 | - | 56,206 |
| Inventory | 9,634 | - | 9,634 |
| Due from other funds | 440,993 | - | 440,993 |
| Total assets | <u>\$ 506,833</u> | <u>\$ 1,945,122</u> | <u>\$ 2,451,955</u> |
| LIABILITIES | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - |
| Due to other funds | 415,149 | - | 415,149 |
| Total liabilities | <u>415,149</u> | <u>-</u> | <u>415,149</u> |
| FUND EQUITY | | | |
| Fund balance: | | | |
| Nonspendable | 9,634 | - | 9,634 |
| Restricted | 401,640 | 1,945,122 | 2,346,762 |
| Committed | 20,455 | - | 20,455 |
| Assigned | 29,072 | - | 29,072 |
| Unassigned | (369,117) | - | (369,117) |
| Total fund equity | <u>91,684</u> | <u>1,945,122</u> | <u>2,036,806</u> |
| Total liabilities and fund equity | <u>\$ 506,833</u> | <u>\$ 1,945,122</u> | <u>\$ 2,451,955</u> |

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Special Revenue Funds | Permanent Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|---------------------|---|
| REVENUES | | | |
| Intergovernmental revenue | \$ 2,401,434 | \$ - | \$ 2,401,434 |
| Other | 552,288 | 101,757 | 654,045 |
| TOTAL REVENUES | <u>2,953,722</u> | <u>101,757</u> | <u>3,055,479</u> |
| EXPENDITURES | | | |
| Program expenses | 3,792,452 | 64,306 | 3,856,758 |
| TOTAL EXPENDITURES | <u>3,792,452</u> | <u>64,306</u> | <u>3,856,758</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(838,730)</u> | <u>37,451</u> | <u>(801,279)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfer in | 193,412 | - | 193,412 |
| Operating transfers (out) | (132,330) | - | (132,330) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>61,082</u> | <u>-</u> | <u>61,082</u> |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER (USES) | <u>(777,648)</u> | <u>37,451</u> | <u>(740,197)</u> |
| FUND BALANCES - JULY 1 | <u>869,332</u> | <u>1,907,671</u> | <u>2,777,003</u> |
| FUND BALANCES - JUNE 30 | <u>\$ 91,684</u> | <u>\$ 1,945,122</u> | <u>\$ 2,036,806</u> |

See accompanying independent auditors' report.

Special Revenue Funds Description

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, 2011

| | State Stabilization Funds | ARRA Title IA | ARRA Local Entitlement | ARRA Local Entitlement Pre School | Donations Equipment | Maine State Prison Tech Grant | Before School Supervision |
|--|---------------------------------|------------------|------------------------------|---|------------------------|-------------------------------------|---------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Due from other funds | 265,739 | 36,537 | - | 15,833 | 8,547 | - | 321 |
| Total assets | \$ 265,739 | \$ 36,537 | \$ - | \$ 15,833 | \$ 8,547 | \$ - | \$ 321 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | - | - | 89,496 | - | - | 225 | - |
| Total liabilities | - | - | 89,496 | - | - | 225 | - |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 265,739 | 36,537 | - | 15,833 | - | - | - |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | 8,547 | - | 321 |
| Unassigned | - | - | (89,496) | - | - | (225) | - |
| Total fund equity | 265,739 | 36,537 | (89,496) | 15,833 | 8,547 | (225) | 321 |
| Total liabilities and fund equity | \$ 265,739 | \$ 36,537 | \$ - | \$ 15,833 | \$ 8,547 | \$ - | \$ 321 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | <u>Laptop Damage</u> | <u>Gref-Educating Aquaponics Grant</u> | <u>Gref-Video Quick Grant</u> | <u>Gref-CCS Greenhouse</u> | <u>Insurance Settlement</u> | <u>Work Ready</u> | <u>College Transitions Book Sale</u> |
|--|--------------------------|--|-----------------------------------|--------------------------------|---------------------------------|-----------------------|--|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Due from other funds | 16,524 | 10 | - | 625 | 1,501 | - | 229 |
| Total assets | \$ 16,524 | \$ 10 | \$ - | \$ 625 | \$ 1,501 | \$ - | \$ 229 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | - | - | 29 | - | - | - | - |
| Total liabilities | - | - | 29 | - | - | - | - |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | - | 10 | - | 625 | - | - | - |
| Committed | - | - | - | - | - | - | - |
| Assigned | 16,524 | - | - | - | 1,501 | - | 229 |
| Unassigned | - | - | (29) | - | - | - | - |
| Total fund equity | 16,524 | 10 | (29) | 625 | 1,501 | - | 229 |
| Total liabilities and fund equity | \$ 16,524 | \$ 10 | \$ - | \$ 625 | \$ 1,501 | \$ - | \$ 229 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | <u>MCASS</u> | <u>MEFLI</u> | <u>Anomino</u> | <u>Gref-Rolling on the River Grant</u> | <u>Maine Recycles Week Donations</u> | <u>Common Good Venture Grant</u> | <u>DHHS After School Program</u> |
|--|---------------|---------------|-----------------|--|--|--|--|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | 500 | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Due from other funds | 892 | - | 6,268 | 776 | 150 | 10,560 | 17,222 |
| Total assets | \$ 892 | \$ 500 | \$ 6,268 | \$ 776 | \$ 150 | \$ 10,560 | \$ 17,222 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | - | 500 | - | - | - | - | - |
| Total liabilities | - | 500 | - | - | - | - | - |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 892 | - | 6,268 | 776 | - | 10,560 | 17,222 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | 150 | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | 892 | - | 6,268 | 776 | 150 | 10,560 | 17,222 |
| Total liabilities and fund equity | \$ 892 | \$ 500 | \$ 6,268 | \$ 776 | \$ 150 | \$ 10,560 | \$ 17,222 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | Tobacco Free Grant | DOE Tyler Tech Support Grant | College Transitions | Dental Health | Gref-World Language West Side | Lonza Grant | Title IA Disadvantage |
|--|-----------------------|------------------------------------|------------------------|------------------|-------------------------------------|----------------|--------------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | 12,916 | - | - | - | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Due from other funds | - | 1,474 | - | 202 | 250 | 915 | - |
| Total assets | \$ 12,916 | \$ 1,474 | \$ - | \$ 202 | \$ 250 | \$ 915 | \$ - |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | 2,742 | - | - | - | - | - | 62,784 |
| Total liabilities | 2,742 | - | - | - | - | - | 62,784 |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 10,174 | 1,474 | - | - | 250 | 915 | - |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | 202 | - | - | - |
| Unassigned | - | - | - | - | - | - | (62,784) |
| Total fund equity | 10,174 | 1,474 | - | 202 | 250 | 915 | (62,784) |
| Total liabilities and fund equity | \$ 12,916 | \$ 1,474 | \$ - | \$ 202 | \$ 250 | \$ 915 | \$ - |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | Title IA Program Improvement | Local Entitlement | Local Entitlement Pre School | 21st Century Grant | Title V | Title IID | Title VI Rural Low Income |
|--|------------------------------------|----------------------|------------------------------------|-----------------------|-------------|--------------|---------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | 10,032 | - | - | - |
| Inventory | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | 17,914 |
| Total assets | \$ - | \$ - | \$ - | \$ 10,032 | \$ - | \$ - | \$ 17,914 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - |
| Due to other funds | - | 37,191 | 1,540 | 10,235 | - | 533 | - |
| Total liabilities | - | 37,191 | 1,540 | 10,235 | - | 533 | - |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | 17,914 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | (37,191) | (1,540) | (203) | - | (533) | - |
| Total fund equity | - | (37,191) | (1,540) | (203) | - | (533) | 17,914 |
| Total liabilities and fund equity | \$ - | \$ - | \$ - | \$ 10,032 | \$ - | \$ - | \$ 17,914 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | Title IIA | FEMA Grant | Title IV Drug Free | Target Field Trip Grant | Food Service | AEFLA |
|--|-----------------|------------------|--------------------|-------------------------|------------------|-----------------|
| ASSETS | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - | 32,758 | - |
| Inventory | - | - | - | - | 9,634 | - |
| Due from other funds | - | 15,651 | - | 800 | - | - |
| Total assets | \$ - | \$ 15,651 | \$ - | \$ 800 | \$ 42,392 | \$ - |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - |
| Due to other funds | 52,354 | - | - | - | 112,646 | 10,535 |
| Total liabilities | 52,354 | - | - | - | 112,646 | 10,535 |
| FUND EQUITY | | | | | | |
| Fund balance: | | | | | | |
| Nonspendable | - | - | - | - | 9,634 | - |
| Restricted | - | 15,651 | - | 800 | - | - |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | (52,354) | - | - | - | (79,888) | (10,535) |
| Total fund equity | (52,354) | 15,651 | - | 800 | (70,254) | (10,535) |
| Total liabilities and fund equity | \$ - | \$ 15,651 | \$ - | \$ 800 | \$ 42,392 | \$ - |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

| | Maine Community Foundation | Computer Buyout | Adult Education | Lora Libby After School Program | ARRA Title IID | Total |
|--|----------------------------------|--------------------|--------------------|---------------------------------------|-------------------|-------------------|
| ASSETS | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | - | - | 56,206 |
| Inventory | - | - | - | - | - | 9,634 |
| Due from other funds | - | - | 20,455 | 1,065 | 533 | 440,993 |
| Total assets | \$ - | \$ - | \$ 20,455 | \$ 1,065 | \$ 533 | \$ 506,833 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - |
| Due to other funds | - | 34,339 | - | - | - | 415,149 |
| Total liabilities | - | 34,339 | - | - | - | 415,149 |
| FUND EQUITY | | | | | | |
| Fund balance: | | | | | | |
| Nonspendable | - | - | - | - | - | 9,634 |
| Restricted | - | - | - | - | - | 401,640 |
| Committed | - | - | 20,455 | - | - | 20,455 |
| Assigned | - | - | - | 1,065 | 533 | 29,072 |
| Unassigned | - | (34,339) | - | - | - | (369,117) |
| Total fund equity | - | (34,339) | 20,455 | 1,065 | 533 | 91,684 |
| Total liabilities and fund equity | \$ - | \$ - | \$ 20,455 | \$ 1,065 | \$ 533 | \$ 506,833 |

See accompanying independent auditors' report.

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, 2011

| | State Stabilization Funds | ARRA Title IA | ARRA Local Entitlement | ARRA Local Entitlement Pre School | Donations Equipment | Maine State Prison Tech Grant | Before School Supervision |
|--|---------------------------------|------------------|------------------------------|---|------------------------|-------------------------------------|---------------------------------|
| REVENUES | | | | | | | |
| Intergovernmental revenue | \$ 343,122 | \$ - | \$ 175,980 | \$ 11,008 | \$ - | \$ - | \$ - |
| Other | - | - | - | - | 7,675 | - | 4,821 |
| TOTAL REVENUES | 343,122 | - | 175,980 | 11,008 | 7,675 | - | 4,821 |
| EXPENDITURES | | | | | | | |
| Program expenses | 485,273 | 209,904 | 299,798 | 537 | - | - | 4,500 |
| TOTAL EXPENDITURES | 485,273 | 209,904 | 299,798 | 537 | - | - | 4,500 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (142,151) | (209,904) | (123,818) | 10,471 | 7,675 | - | 321 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | (142,151) | (209,904) | (123,818) | 10,471 | 7,675 | - | 321 |
| FUND BALANCES, JULY 1 | 407,890 | 246,441 | 34,322 | 5,362 | 872 | (225) | - |
| FUND BALANCES, JUNE 30 | \$ 265,739 | \$ 36,537 | \$ (89,496) | \$ 15,833 | \$ 8,547 | \$ (225) | \$ 321 |

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, 2011

| | <u>Laptop Damage</u> | <u>Gref-Educating Aquaponics Grant</u> | <u>Gref-Video Quick Grant</u> | <u>Gref-CCS Greenhouse</u> | <u>Insurance Settlement</u> | <u>Work Ready</u> | <u>College Transitions Book Sale</u> |
|---|--------------------------|--|-----------------------------------|--------------------------------|---------------------------------|-----------------------|--|
| REVENUES | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other | 37,488 | - | - | 8,661 | 1,501 | 3,000 | 1 |
| TOTAL REVENUES | <u>37,488</u> | <u>-</u> | <u>-</u> | <u>8,661</u> | <u>1,501</u> | <u>3,000</u> | <u>1</u> |
| EXPENDITURES | | | | | | | |
| Program expenses | <u>24,100</u> | <u>418</u> | <u>-</u> | <u>8,382</u> | <u>-</u> | <u>3,000</u> | <u>1</u> |
| TOTAL EXPENDITURES | <u>24,100</u> | <u>418</u> | <u>-</u> | <u>8,382</u> | <u>-</u> | <u>3,000</u> | <u>1</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>13,388</u> | <u>(418)</u> | <u>-</u> | <u>279</u> | <u>1,501</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | <u>13,388</u> | <u>(418)</u> | <u>-</u> | <u>279</u> | <u>1,501</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES, JULY 1 | <u>3,136</u> | <u>428</u> | <u>(29)</u> | <u>346</u> | <u>-</u> | <u>-</u> | <u>229</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 16,524</u> | <u>\$ 10</u> | <u>\$ (29)</u> | <u>\$ 625</u> | <u>\$ 1,501</u> | <u>\$ -</u> | <u>\$ 229</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, 2011

| | <u>MCASS</u> | <u>MEFLI</u> | <u>Anomino</u> | <u>Gref-Rolling on the River Grant</u> | <u>Maine Recycles Week Donations</u> | <u>Common Good Venture Grant</u> | <u>DHHS After School Program</u> |
|---|---------------|--------------|-----------------|--|--|--|--|
| REVENUES | | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,578 |
| Other | 7,350 | 5,000 | 24,485 | - | - | 12,150 | - |
| TOTAL REVENUES | <u>7,350</u> | <u>5,000</u> | <u>24,485</u> | <u>-</u> | <u>-</u> | <u>12,150</u> | <u>25,578</u> |
| EXPENDITURES | | | | | | | |
| Program expenses | 7,571 | 5,000 | 27,556 | - | - | 1,590 | 25,689 |
| TOTAL EXPENDITURES | <u>7,571</u> | <u>5,000</u> | <u>27,556</u> | <u>-</u> | <u>-</u> | <u>1,590</u> | <u>25,689</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(221)</u> | <u>-</u> | <u>(3,071)</u> | <u>-</u> | <u>-</u> | <u>10,560</u> | <u>(111)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | <u>(221)</u> | <u>-</u> | <u>(3,071)</u> | <u>-</u> | <u>-</u> | <u>10,560</u> | <u>(111)</u> |
| FUND BALANCES, JULY 1 | <u>1,113</u> | <u>-</u> | <u>9,339</u> | <u>776</u> | <u>150</u> | <u>-</u> | <u>17,333</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 892</u> | <u>\$ -</u> | <u>\$ 6,268</u> | <u>\$ 776</u> | <u>\$ 150</u> | <u>\$ 10,560</u> | <u>\$ 17,222</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, 2011

| | Tobacco <u>Free Grant</u> | DOE Tyler Tech Support <u>Grant</u> | College <u>Transitions</u> | Dental <u>Health</u> | Gref-World Language <u>West Side</u> | Lonza <u>Grant</u> | Title IA <u>Disadvantaged</u> |
|---|------------------------------|---|-------------------------------|-------------------------|--|-----------------------|----------------------------------|
| REVENUES | | | | | | | |
| Intergovernmental revenue | \$ 64,832 | \$ 700 | \$ 30,000 | \$ - | \$ - | \$ - | \$ 488,349 |
| Other | - | - | - | - | 150 | - | - |
| TOTAL REVENUES | <u>64,832</u> | <u>700</u> | <u>30,000</u> | <u>-</u> | <u>150</u> | <u>-</u> | <u>488,349</u> |
| EXPENDITURES | | | | | | | |
| Program expenses | <u>64,619</u> | <u>657</u> | <u>30,000</u> | <u>1,044</u> | <u>-</u> | <u>-</u> | <u>655,241</u> |
| TOTAL EXPENDITURES | <u>64,619</u> | <u>657</u> | <u>30,000</u> | <u>1,044</u> | <u>-</u> | <u>-</u> | <u>655,241</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>213</u> | <u>43</u> | <u>-</u> | <u>(1,044)</u> | <u>150</u> | <u>-</u> | <u>(166,892)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | (111,072) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(111,072)</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 213 | 43 | - | (1,044) | 150 | - | (277,964) |
| FUND BALANCES, JULY 1 | <u>9,961</u> | <u>1,431</u> | <u>-</u> | <u>1,246</u> | <u>100</u> | <u>915</u> | <u>215,180</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 10,174</u> | <u>\$ 1,474</u> | <u>\$ -</u> | <u>\$ 202</u> | <u>\$ 250</u> | <u>\$ 915</u> | <u>\$ (62,784)</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, 2011

| | Title IA Program Improvement | Local Entitlement | Local Entitlement Pre School | 21st Century Grant | Title V | Title IID | Title VI Rural Low Income |
|---|------------------------------------|----------------------|------------------------------------|-----------------------|---------|-----------|---------------------------------|
| REVENUES | | | | | | | |
| Intergovernmental revenue | \$ - | \$ 561,294 | \$ - | \$ 66,801 | \$ - | \$ - | \$ 54,443 |
| Other | - | - | - | - | - | - | - |
| TOTAL REVENUES | - | 561,294 | - | 66,801 | - | - | 54,443 |
| EXPENDITURES | | | | | | | |
| Program expenses | 67,440 | 549,935 | 10,765 | 60,747 | - | - | 58,398 |
| TOTAL EXPENDITURES | 67,440 | 549,935 | 10,765 | 60,747 | - | - | 58,398 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (67,440) | 11,359 | (10,765) | 6,054 | - | - | (3,955) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | 111,072 | - | - | - | 2,340 | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 111,072 | - | - | - | 2,340 | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 43,632 | 11,359 | (10,765) | 6,054 | 2,340 | - | (3,955) |
| FUND BALANCES, JULY 1 | (43,632) | (48,550) | 9,225 | (6,257) | (2,340) | (533) | 21,869 |
| FUND BALANCES, JUNE 30 | \$ - | \$ (37,191) | \$ (1,540) | \$ (203) | \$ - | \$ (533) | \$ 17,914 |

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, 2011

| | <u>Title IIA</u> | <u>FEMA Grant</u> | <u>Title IV Drug Free</u> | <u>Target Field Trip Grant</u> | <u>Food Service</u> | <u>AEFLA</u> |
|--|--------------------|-------------------|---------------------------|--------------------------------|---------------------|--------------------|
| REVENUES | | | | | | |
| Intergovernmental revenue | \$ - | \$ 17,941 | \$ - | \$ - | \$ 509,838 | \$ - |
| Other | - | - | - | - | 322,885 | - |
| TOTAL REVENUES | <u>-</u> | <u>17,941</u> | <u>-</u> | <u>-</u> | <u>832,723</u> | <u>-</u> |
| EXPENDITURES | | | | | | |
| Program expenses | <u>56,338</u> | <u>2,290</u> | <u>62</u> | <u>-</u> | <u>959,630</u> | <u>26,289</u> |
| TOTAL EXPENDITURES | <u>56,338</u> | <u>2,290</u> | <u>62</u> | <u>-</u> | <u>959,630</u> | <u>26,289</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(56,338)</u> | <u>15,651</u> | <u>(62)</u> | <u>-</u> | <u>(126,907)</u> | <u>(26,289)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | - | - | - | - | 80,000 | - |
| Operating transfers (out) | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>80,000</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | <u>(56,338)</u> | <u>15,651</u> | <u>(62)</u> | <u>-</u> | <u>(46,907)</u> | <u>(26,289)</u> |
| FUND BALANCES, JULY 1 | <u>3,984</u> | <u>-</u> | <u>62</u> | <u>800</u> | <u>(23,347)</u> | <u>15,754</u> |
| FUND BALANCES, JUNE 30 | <u>\$ (52,354)</u> | <u>\$ 15,651</u> | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ (70,254)</u> | <u>\$ (10,535)</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, 2011

| | Maine Community Foundation | Computer Buyout | Adult Education | Lora Libby After School Program | ARRA Title IID | Total |
|---|----------------------------------|--------------------|--------------------|---------------------------------------|-------------------|--------------|
| REVENUES | | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ 29,757 | \$ - | \$ 21,791 | \$ 2,401,434 |
| Other | - | - | 90,666 | 26,455 | - | 552,288 |
| TOTAL REVENUES | - | - | 120,423 | 26,455 | 21,791 | 2,953,722 |
| EXPENDITURES | | | | | | |
| Program expenses | 460 | - | 116,381 | 28,837 | - | 3,792,452 |
| TOTAL EXPENDITURES | 460 | - | 116,381 | 28,837 | - | 3,792,452 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (460) | - | 4,042 | (2,382) | 21,791 | (838,730) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | - | - | - | - | - | 193,412 |
| Operating transfers (out) | - | - | - | - | (21,258) | (132,330) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | (21,258) | 61,082 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | (460) | - | 4,042 | (2,382) | 533 | (777,648) |
| FUND BALANCES, JULY 1 | 460 | (34,339) | 16,413 | 3,447 | - | 869,332 |
| FUND BALANCES, JUNE 30 | \$ - | \$ (34,339) | \$ 20,455 | \$ 1,065 | \$ 533 | \$ 91,684 |

See accompanying independent auditors' report.

Permanent Funds

To account for assets held by Regional School Unit No. 13 in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2011

| | Nicholas Stevens Trust | Vincent Ciaravino Trust | Richard Warren Trust | Doris MacDougal Trust | Hermia Toothaker Trust | Blaisdell/ Cuccinello Scholarship | Dorothy Smalley Scholarship |
|--|------------------------------|-------------------------------|----------------------------|-----------------------------|------------------------------|---|-----------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ 33,756 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | 7,758 | 1,699 | 7,482 | 73,106 | 7,987 | 587,861 |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ 33,756</u> | <u>\$ 7,758</u> | <u>\$ 1,699</u> | <u>\$ 7,482</u> | <u>\$ 73,106</u> | <u>\$ 7,987</u> | <u>\$ 587,861</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 33,756 | 7,758 | 1,699 | 7,482 | 73,106 | 7,987 | 587,861 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | <u>33,756</u> | <u>7,758</u> | <u>1,699</u> | <u>7,482</u> | <u>73,106</u> | <u>7,987</u> | <u>587,861</u> |
| Total liabilities and fund equity | <u>\$ 33,756</u> | <u>\$ 7,758</u> | <u>\$ 1,699</u> | <u>\$ 7,482</u> | <u>\$ 73,106</u> | <u>\$ 7,987</u> | <u>\$ 587,861</u> |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2011

| | <u>W orthington 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> |
|--|-------------------------------------|-------------------------------|--------------------------------------|------------------------------------|--------------------------------|--|---------------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | 1,027 | 13,112 | 146,447 | 16,402 | 19,941 | 25,739 | 29,171 |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ 1,027</u> | <u>\$ 13,112</u> | <u>\$ 146,447</u> | <u>\$ 16,402</u> | <u>\$ 19,941</u> | <u>\$ 25,739</u> | <u>\$ 29,171</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 1,027 | 13,112 | 146,447 | 16,402 | 19,941 | 25,739 | 29,171 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | <u>1,027</u> | <u>13,112</u> | <u>146,447</u> | <u>16,402</u> | <u>19,941</u> | <u>25,739</u> | <u>29,171</u> |
| Total liabilities and fund equity | <u>\$ 1,027</u> | <u>\$ 13,112</u> | <u>\$ 146,447</u> | <u>\$ 16,402</u> | <u>\$ 19,941</u> | <u>\$ 25,739</u> | <u>\$ 29,171</u> |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2011

| | <u>Frederick & Claudette V Scholarship</u> | <u>Seekins Scholarship</u> | <u>Hunter Scholarship</u> | <u>Gross Ruggles Scholarship</u> | <u>Harjula Scholarship</u> | <u>Moran Scholarship</u> | <u>Gutoske Scholarship</u> |
|--|--|--------------------------------|-------------------------------|--|--------------------------------|------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ 26,708 | \$ 4,335 | \$ 15,200 | \$ 1,560 | \$ 613 | \$ 128 |
| Investments | 4,526 | 221,095 | 78,099 | 500,795 | 12,561 | 10,420 | 2,172 |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ 4,526</u> | <u>\$ 247,803</u> | <u>\$ 82,434</u> | <u>\$ 515,995</u> | <u>\$ 14,121</u> | <u>\$ 11,033</u> | <u>\$ 2,300</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 4,526 | 247,803 | 82,434 | 515,995 | 14,121 | 11,033 | 2,300 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | <u>4,526</u> | <u>247,803</u> | <u>82,434</u> | <u>515,995</u> | <u>14,121</u> | <u>11,033</u> | <u>2,300</u> |
| Total liabilities and fund equity | <u>\$ 4,526</u> | <u>\$ 247,803</u> | <u>\$ 82,434</u> | <u>\$ 515,995</u> | <u>\$ 14,121</u> | <u>\$ 11,033</u> | <u>\$ 2,300</u> |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2011

| | <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> |
|-----------------------------------|--------------------------------|---------------------------------|------------------------------|---------------------------------|---------------------------------|--------------------------|---------------------------|
| ASSETS | | | | | | | |
| Cash | \$ 328 | \$ 336 | \$ 137 | \$ 986 | \$ 1,498 | \$ 188 | \$ 183 |
| Investments | 5,584 | 5,717 | 2,333 | 16,779 | 25,478 | 3,199 | - |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | <u>\$ 5,912</u> | <u>\$ 6,053</u> | <u>\$ 2,470</u> | <u>\$ 17,765</u> | <u>\$ 26,976</u> | <u>\$ 3,387</u> | <u>\$ 183</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 5,912 | 6,053 | 2,470 | 17,765 | 26,976 | 3,387 | 183 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | <u>5,912</u> | <u>6,053</u> | <u>2,470</u> | <u>17,765</u> | <u>26,976</u> | <u>3,387</u> | <u>183</u> |
| Total liabilities and fund equity | <u>\$ 5,912</u> | <u>\$ 6,053</u> | <u>\$ 2,470</u> | <u>\$ 17,765</u> | <u>\$ 26,976</u> | <u>\$ 3,387</u> | <u>\$ 183</u> |

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2011

| | <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>Totals</u> |
|--|--------------------------|--------------------------|--------------------------------------|--------------------------|---|-------------------------------------|---------------------|
| ASSETS | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 85,956 |
| Investments | 573 | 577 | 13,234 | 864 | 15,371 | 2,057 | 1,859,166 |
| Due from other funds | - | - | - | - | - | - | - |
| Total assets | \$ 573 | \$ 577 | \$ 13,234 | \$ 864 | \$ 15,371 | \$ 2,057 | \$ 1,945,122 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | - | - | - |
| FUND EQUITY | | | | | | | |
| Fund balance: | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 573 | 577 | 13,234 | 864 | 15,371 | 2,057 | 1,945,122 |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total fund equity | 573 | 577 | 13,234 | 864 | 15,371 | 2,057 | 1,945,122 |
| Total liabilities and fund equity | \$ 573 | \$ 577 | \$ 13,234 | \$ 864 | \$ 15,371 | \$ 2,057 | \$ 1,945,122 |

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Nicholas Stevens Trust | Vincent Ciaravino Trust | Richard Warren Trust | Doris MacDougal Trust | Hermia Toothaker Trust | Blaisdell/ Cuccinello Scholarship | Dorothy Smalley Scholarship |
|---|------------------------------|-------------------------------|----------------------------|-----------------------------|------------------------------|---|-----------------------------------|
| REVENUE | | | | | | | |
| Interest | \$ 330 | \$ 146 | \$ 28 | \$ 140 | \$ 1,321 | \$ 137 | \$ 10,662 |
| Net gain (loss) on investments | - | (9) | 199 | (61) | (430) | (36) | (4,366) |
| Contributions | 1,000 | - | 98 | - | - | 1,640 | - |
| TOTAL REVENUES | 1,330 | 137 | 325 | 79 | 891 | 1,741 | 6,296 |
| EXPENDITURES | 6,250 | 1,819 | 11 | 1,072 | 1,655 | 1,057 | 27,012 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (4,920) | (1,682) | 314 | (993) | (764) | 684 | (20,716) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | (4,920) | (1,682) | 314 | (993) | (764) | 684 | (20,716) |
| FUND BALANCES - JULY 1 | 38,676 | 9,440 | 1,385 | 8,475 | 73,870 | 7,303 | 608,577 |
| FUND BALANCES - JUNE 30 | \$ 33,756 | \$ 7,758 | \$ 1,699 | \$ 7,482 | \$ 73,106 | \$ 7,987 | \$ 587,861 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Worthington Scholarship | Alumni Scholarship | Pricilla Noddin Trust | Isidor Gordon Trust | Bontuit Scholarship | Miriam Pierce Scholarship | Ione Estes Scholarship |
|---|----------------------------|-----------------------|-----------------------------|---------------------------|------------------------|---------------------------------|------------------------------|
| REVENUE | | | | | | | |
| Interest | \$ 7 | \$ 236 | \$ 2,675 | \$ 270 | \$ 367 | \$ 470 | \$ 524 |
| Net gain (loss) on investments | 24 | (75) | (947) | (81) | (136) | (164) | (164) |
| Contributions | 10,000 | - | - | 2,764 | - | - | - |
| TOTAL REVENUES | 10,031 | 161 | 1,728 | 2,953 | 231 | 306 | 360 |
| EXPENDITURES | 9,004 | 116 | 9,336 | 1,314 | 2,184 | 1,183 | 259 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 1,027 | 45 | (7,608) | 1,639 | (1,953) | (877) | 101 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 1,027 | 45 | (7,608) | 1,639 | (1,953) | (877) | 101 |
| FUND BALANCES - JULY 1 | - | 13,067 | 154,055 | 14,763 | 21,894 | 26,616 | 29,070 |
| FUND BALANCES - JUNE 30 | \$ 1,027 | \$ 13,112 | \$ 146,447 | \$ 16,402 | \$ 19,941 | \$ 25,739 | \$ 29,171 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

| | Frederick & Claudette V Scholarship | Seekins Scholarship | Hunter Scholarship | Gross Ruggles Scholarship | Harjula Scholarship | Moran Scholarship | Gutoske Scholarship |
|---|---|------------------------|-----------------------|---------------------------------|------------------------|----------------------|------------------------|
| REVENUE | | | | | | | |
| Interest | \$ 86 | \$ 7,004 | \$ 7,949 | \$ 49,907 | \$ 405 | \$ 1,214 | \$ 298 |
| Net gain (loss) on investments | (26) | - | - | - | - | - | - |
| Contributions | - | - | - | - | - | - | - |
| TOTAL REVENUES | 60 | 7,004 | 7,949 | 49,907 | 405 | 1,214 | 298 |
| EXPENDITURES | 341 | - | - | - | - | - | - |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | (281) | 7,004 | 7,949 | 49,907 | 405 | 1,214 | 298 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | (281) | 7,004 | 7,949 | 49,907 | 405 | 1,214 | 298 |
| FUND BALANCES - JULY 1 | 4,807 | 240,799 | 74,485 | 466,088 | 13,716 | 9,819 | 2,002 |
| FUND BALANCES - JUNE 30 | \$ 4,526 | \$ 247,803 | \$ 82,434 | \$ 515,995 | \$ 14,121 | \$ 11,033 | \$ 2,300 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | Brasier Scholarship | Magrogan Scholarship | Stone Scholarship | Griffith Scholarship | Carignan Scholarship | Daggett Trust | Crockett Trust |
|---|------------------------|-------------------------|----------------------|-------------------------|-------------------------|------------------|-------------------|
| REVENUE | | | | | | | |
| Interest | \$ 771 | \$ 783 | \$ 319 | \$ 2,411 | \$ 3,239 | \$ 438 | \$ - |
| Net gain (loss) on investments | - | - | - | - | - | - | - |
| Contributions | - | - | - | - | - | - | - |
| TOTAL REVENUES | 771 | 783 | 319 | 2,411 | 3,239 | 438 | - |
| EXPENDITURES | - | - | - | - | - | - | - |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | 771 | 783 | 319 | 2,411 | 3,239 | 438 | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 771 | 783 | 319 | 2,411 | 3,239 | 438 | - |
| FUND BALANCES - JULY 1 | 5,141 | 5,270 | 2,151 | 15,354 | 23,737 | 2,949 | 183 |
| FUND BALANCES - JUNE 30 | \$ 5,912 | \$ 6,053 | \$ 2,470 | \$ 17,765 | \$ 26,976 | \$ 3,387 | \$ 183 |

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

| | <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>Totals</u> |
|---|--------------------------|--------------------------|--------------------------------------|--------------------------|---|-------------------------------------|---------------------|
| REVENUE | | | | | | | |
| Interest | \$ 10 | \$ 10 | \$ 238 | \$ 16 | \$ 281 | \$ 37 | \$ 92,729 |
| Net gain (loss) on investments | (4) | (3) | (75) | (5) | (103) | (12) | (6,474) |
| Contributions | - | - | - | - | - | - | 15,502 |
| TOTAL REVENUES | <u>6</u> | <u>7</u> | <u>163</u> | <u>11</u> | <u>178</u> | <u>25</u> | <u>101,757</u> |
| EXPENDITURES | <u>4</u> | <u>5</u> | <u>117</u> | <u>8</u> | <u>1,041</u> | <u>518</u> | <u>64,306</u> |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | <u>2</u> | <u>2</u> | <u>46</u> | <u>3</u> | <u>(863)</u> | <u>(493)</u> | <u>37,451</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Operating transfers in | - | - | - | - | - | - | - |
| Operating transfers (out) | - | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) | 2 | 2 | 46 | 3 | (863) | (493) | 37,451 |
| FUND BALANCES - JULY 1 | <u>571</u> | <u>575</u> | <u>13,188</u> | <u>861</u> | <u>16,234</u> | <u>2,550</u> | <u>1,907,671</u> |
| FUND BALANCES - JUNE 30 | <u>\$ 573</u> | <u>\$ 577</u> | <u>\$ 13,234</u> | <u>\$ 864</u> | <u>\$ 15,371</u> | <u>\$ 2,057</u> | <u>\$ 1,945,122</u> |

See accompanying independent auditors' report.

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 assets.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2011

| | Land and Non-depreciable Assets | Buildings Buildings Improvements & Land Improvements | Furniture, Fixtures, Equipment & Vehicles | Infrastructure | Total |
|--------------------------------|---------------------------------------|--|--|----------------|---------------|
| Regular education | \$ 221,681 | \$ 12,124,330 | \$ 1,842,118 | \$ - | \$ 14,188,129 |
| Maintenance & operations | 56,798 | 10,478,883 | 1,176,624 | - | 11,712,305 |
| Transportation | - | - | 1,571,692 | - | 1,571,692 |
| Administration | - | - | 25,795 | - | 25,795 |
| School lunch program | - | - | 191,730 | - | 191,730 |
| Total General Capital Assets | 278,479 | 22,603,213 | 4,807,959 | - | 27,689,651 |
| Less: Accumulated Depreciation | - | (7,840,721) | (3,434,284) | - | (11,275,005) |
| Net General Capital Assets | \$ 278,479 | \$ 14,762,492 | \$ 1,373,675 | \$ - | \$ 16,414,646 |

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2011

| | General Capital Assets 7/1/10 | Additions | Deletions | General Capital Assets 6/30/11 |
|-------------------------------------|--|----------------------------|--------------------|---|
| Regular education | \$ 14,188,129 | \$ - | \$ - | \$ 14,188,129 |
| Maintenance & operations | 11,712,305 | - | - | 11,712,305 |
| Transportation | 1,571,692 | - | - | 1,571,692 |
| Administration | 25,795 | - | - | 25,795 |
| School lunch program | 191,730 | - | - | 191,730 |
| Total General Capital Assets | 27,689,651 | - | - | 27,689,651 |
| Less: Accumulated Depreciation | <u>(10,529,487)</u> | <u>(745,518)</u> | <u>-</u> | <u>(11,275,005)</u> |
| Net General Capital Assets | <u>\$ 17,160,164</u> | <u>\$ (745,518)</u> | <u>\$ -</u> | <u>\$ 16,414,646</u> |

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

| 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 and Cultural Services | | | |
| Food Distribution | 10.550 | N/A | \$ 60,128 |
| School Breakfast Program | 10.555 | 013-06A-7127-05 | 77,727 |
| Fresh Fruit & Vegetables | 10.582 | 020-06A-3074-05 | 25,246 |
| School Lunch Program | 10.555 | 013-06A-7128-05 | 392,379 |
| Total Department of Agricultural | | | <u>555,480</u> |
| U.S. Department of Education | | | |
| Passed through State of Maine - Department of Education and Cultural Services: | | | |
| Adult Ed and Family Literacy | 84.048 | 013-06A-6334-13 | 26,289 |
| Title IA-Educationally Deprived | 84.010 | 013-06A-6334-13 | 655,241 |
| Title IA-Program Improvement | 84.010 | 013-06A-3056-13 | 76,636 |
| Local Entitlement | 84.027 | 013-06A-6317-12 | 549,935 |
| Local Entitlement - Part B Section 619 | 84.173 | 013-06A-6241-23 | 10,765 |
| State Stabilization | 84.394 | 013-06A-2077-01 | 485,273 |
| Twenty First Century | 84.287 | 013-06A-1103-13 | 60,747 |
| ARRA Title IA | 84.389A | 020-06A-6334-13 | 209,904 |
| ARRA Local Entitlement IDEA | 84.391A | 020-06A-6317-12 | 299,798 |
| ARRA Local Entitlement - Part B Section 619 | 84.392A | 020-06A-6241-23 | 537 |
| Rural Low Income | 84.358 | 013-06A-1078-03 | 58,398 |
| Teacher Quality Grant | 84.367 | 013-06A-1138-11 | 56,338 |
| Total Department of Education | | | <u>2,489,861</u> |
| Passed through State of Maine - Department of Mental Health, Mental Retardation, and Substance Abuse Services: | | | |
| Drug Free Schools Act | 84.186 | 013-075-63460-57 | 62 |
| After School Program | 93.575 | | 25,689 |
| | | | <u>25,751</u> |
| TOTAL FEDERAL ASSISTANCE | | | <u>\$ 3,071,092</u> |

REGIONAL SCHOOL UNIT NO. 13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

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 – Educationally Deprived
- 2) 84.027- Local Entitlement
- 3) 84.394 - State Stabilization
- 4) 84.389A – ARRA Title IA
- 5) 84.391A – ARRA Local Entitlement IDEA
- 6) 84.392A – ARRA Local Entitlement – Part B Section 619



Proven Expertise and Integrity

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

September 29, 2011

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

We have audited the financial statements of Regional School Unit No.13, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 29, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Regional School Unit No. 13's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional School Unit No. 13's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not necessarily designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 13's financial statements are free of 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*.

This report is intended solely for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

September 29, 2011

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

Compliance

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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Regional School Unit No. 13's management. Our responsibility is to express an opinion on Regional School Unit No. 13's compliance based on our audit.

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. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Regional School Unit No. 13's compliance with those requirements.

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In our opinion, Regional School Unit No. 13, complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of Regional School Unit No. 13 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Regional School Unit No. 13's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material with a type of compliance requirement of a federal program will not be prevented or detected and correct, 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2011

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unqualified

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: Unqualified

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 – Educationally Deprived |
| 84.027 | Local Entitlement |
| 84.394 | State Stabilization |
| 84.389A | ARRA – Title IA |
| 84.391A | ARRA – Local Entitlement IDEA |
| 84.392A | ARRA – Local Entitlement – Part B Section 619 |

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



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

September 29, 2011

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

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2011 and have issued our report thereon dated September 29, 2011. 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 Department for accuracy. In addition we have reviewed quarterly EF-U-415 reports for the year ended June 30, 2011 and 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

Certified Public Accountants

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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, 2011

| | General Fund (100) | Special Revenue Funds (200) | Totals |
|--|-----------------------|-----------------------------------|---------------------|
| June 30 balance per MEDMS Financial System | \$ 2,757,273 | \$ 2,311,482 | \$ 5,068,754 |
| Revenue Adjustments: | | | |
| Accounts receivable (FY 10 reversal) | - | (2,389,209) | (2,389,209) |
| Expenditure Adjustments: | | | |
| Audit adjustment to expenses | (180,651) | 180,651 | - |
| Accrued payroll | (381,831) | - | (381,831) |
| Accounts payable variance | (20,054) | - | (20,054) |
| Other Adjustments: | | | |
| Other Adjustments not posted at time of report | (12,916) | (11,240) | (24,156) |
| Rounding | (1) | - | (1) |
| Audited GAAP Basis Fund balance June 30 | <u>\$ 2,161,820</u> | <u>\$ 91,684</u> | <u>\$ 2,253,503</u> |