

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2012



*Proven Expertise and Integrity*

REGIONAL SCHOOL UNIT NO. 13

CONTENTS

JUNE 30, 2012

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET ASSETS	11
STATEMENT B - STATEMENT OF ACTIVITIES	12 - 13
<u>FUND FINANCIAL STATEMENTS</u>	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	14
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	15
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	16
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
STATEMENT G - STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS	18
NOTES TO FINANCIAL STATEMENTS	19 - 36
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	37

SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS - BUDGET AND ACTUAL – GENERAL FUND	38
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	39
SCHEDULE 2 - SCHEDULE OF DEPARTMENTAL OPERATIONS	40 - 42
SCHEDULE A - COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	43
SCHEDULE B - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	44
SPECIAL REVENUE FUNDS DESCRIPTION	45
SCHEDULE C - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	46 - 52
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	53 - 59
PERMANENT FUNDS DESCRIPTION	60
SCHEDULE E - COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	61 - 66
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	67 - 72
GENERAL CAPITAL ASSETS DESCRIPTION	73
SCHEDULE G - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	74
SCHEDULE H - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	75

## FEDERAL COMPLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	76
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	77
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 <i>GOVERNMENT AUDITING STANDARDS</i>	78 - 79
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	80 - 81
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	82

## OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS	83
RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA SUBMITTED TO THE MEDMS FINANCIAL SYSTEM	84



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## INDEPENDENT AUDITORS' REPORT

September 7, 2012

Board of Directors  
Regional School 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, 2012, 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 13, 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 \$994,107.

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, 2012, 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.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2012, 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 10 and 38 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, 2012**

**(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, 2012. 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 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 decreased by \$436,679 to a balance of \$13.66 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 decreased to a deficit balance of (\$335,596) at the end of the fiscal year.

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

	<b>2012</b>	<b>2011</b>
<b>Assets:</b>		
Current and Other Assets	\$ 4,027,762	\$ 4,926,352
Capital Assets	16,343,500	16,414,646
Total Assets	\$ 20,371,262	\$ 21,340,998
<b>Liabilities:</b>		
Current Liabilities	\$ 2,470,180	\$ 3,085,984
Long-term Debt Outstanding	4,237,827	4,155,080
Total Liabilities	\$ 6,708,007	\$ 7,241,064
<b>Net Assets:</b>		
Invested in Capital Assets,		
Net of Related Debt	\$ 11,911,442	\$ 11,377,892
Restricted : Special revenue funds	122,839	401,640
Permanent funds	1,964,570	1,995,861
Unrestricted (deficit)	(335,596)	324,541
Total Net Assets	\$ 13,663,255	\$ 14,099,934

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

	<u>2012</u>	<u>2011</u>
<b>Revenues:</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 138,543	\$ 193,496
Operating grants & contributions	4,996,226	4,512,042
<i>General Revenues:</i>		
Support from towns	21,533,985	21,723,553
Grants & contributions not restricted to specific programs	3,820,608	3,540,578
Miscellaneous	<u>829,331</u>	<u>788,664</u>
Total Revenues	<u>31,318,693</u>	<u>30,758,333</u>
<b>Expenses:</b>		
Instruction	10,472,926	9,782,799
Special education	4,007,230	3,311,387
Career & technical	905,254	917,021
Other instructional	538,274	575,544
Student & staff support	2,569,689	2,485,612
System administration	536,176	617,873
School administration	1,563,516	1,509,097
Transportation	1,452,958	3,582,655
Facilities	3,547,940	1,403,222
Interest on long term debt	217,353	243,470
Change in accrued summer salaries	252,310	(243,270)
State of Maine on - behalf payments	1,853,557	2,110,608
Program expenses	<u>3,838,189</u>	<u>3,865,763</u>
Total Expenses	<u>31,755,372</u>	<u>30,161,781</u>
Change in Net Assets	(436,679)	596,552
Net Assets - July 1, Restated	<u>14,099,934</u>	<u>13,503,382</u>
Net Assets - June 30	<u>\$ 13,663,255</u>	<u>\$ 14,099,934</u>

**Revenues and Expenses**

Revenues for the Unit's governmental activities increased by 1.82%, while total expenses increased by 5.28%. Most of the Unit's revenues and expenses were consistent with the previous year with minor increases or decreases. The biggest increase in expenses was in special education and the biggest increase in revenues was in operating grants and contributions.

## Financial Analysis of the Unit's Fund Statements

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

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

	2012	2011
Major Funds:		
General Fund:		
Nonspendable	\$ 119,589	\$ -
Committed	610,102	364,911
Unassigned	1,023,588	1,978,740
Total Major Funds	\$ 1,753,279	\$ 2,343,651
Nonmajor Funds:		
Special revenue funds:		
Nonspendable	\$ 11,987	\$ 9,634
Restricted	122,839	401,640
Committed	213,536	20,455
Assigned	24,645	29,072
Unassigned	(293,127)	(369,117)
Permanent funds:		
Restricted	1,964,570	1,945,122
Total Nonmajor Funds	\$ 2,044,450	\$ 2,036,806

The general fund total fund balance decreased by \$590,372 from the prior fiscal year. The non-major fund balances decreased by \$43,095 from the prior fiscal year.

### Budgetary Highlights

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

The general fund actual revenues were over the budget by \$88,703. This was a result of intergovernmental and miscellaneous revenues being receipted in excess of budget.

The general fund actual expenditures were over the budget by \$114,164. All expenditures were under budget with the exception of special education, career and technical and transportation and the change in accrued summer salaries.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2012, the net book value of capital assets recorded by the Unit decreased by \$71,146 from the prior fiscal year. The decrease was due to current year depreciation less capital additions.

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

	<b>2012</b>	<b>2011</b>
Land	\$ 211,479	\$ 211,479
Art work	67,000	67,000
Land improvements	436,535	492,857
Buildings	13,841,112	14,269,635
Machinery & equipment	1,507,144	1,022,822
Vehicles	280,230	350,853
 Total	 \$ 16,343,500	 \$ 16,414,646

### **Debt**

At June 30, 2012, the Unit had an obligation to pay for \$3.94 million in bonds outstanding versus \$4.53 million last year, a decrease of 13.12%, as shown in Note 5 of the financial statements.

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

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

Any significant economics factors that may affect the 2012-2013 budget are not known at this time.

## **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 A

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,330,541
Investments	1,840,872
Accounts receivable (net of allowance for uncollectibles):	
Intergovernmental	556,837
Other	167,936
Inventory	11,987
Prepaid expenses	<u>119,589</u>
Total current assets	<u>4,027,762</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	278,479
Buildings and equipment, net of accumulated depreciation	<u>16,065,021</u>
Total noncurrent assets	<u>16,343,500</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 20,371,262</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 30,033
Accrued payroll	1,656,844
Current portion of long-term obligations	<u>783,303</u>
Total current liabilities	<u>2,470,180</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Obligation for bonds payable	3,342,250
Capital leases payable	306,505
Accrued compensated absences	<u>589,072</u>
Total noncurrent liabilities	<u>4,237,827</u>
<b>TOTAL LIABILITIES</b>	<u>6,708,007</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	11,911,442
Restricted: Special revenue funds	122,839
Permanent funds	1,964,570
Unrestricted (deficit)	<u>(335,596)</u>
<b>TOTAL NET ASSETS</b>	<u>13,663,255</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 20,371,262</u></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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 10,472,926	\$ 8,833	\$ -	\$ -	\$ (10,464,093)
Special education	4,007,230	128,953	-	-	(3,878,277)
Career & technical	905,254	-	-	-	(905,254)
Other instructional	538,274	-	-	-	(538,274)
Student & staff support	2,569,689	-	-	-	(2,569,689)
System administration	536,176	-	-	-	(536,176)
School administration	1,563,516	-	-	-	(1,563,516)
Transportation	1,452,958	757	-	-	(1,452,201)
Facilities	3,547,940	-	-	-	(3,547,940)
Interest on long term debt	217,353	-	-	-	(217,353)
Change in accrued summer salaries	252,310	-	-	-	(252,310)
State of Maine on - behalf payments	1,853,557	-	1,853,557	-	-
Program expenses	3,838,189	-	3,142,669	-	(695,520)
Total government	<u>\$ 31,755,372</u>	<u>\$ 138,543</u>	<u>\$ 4,996,226</u>	<u>\$ -</u>	<u>\$ (26,620,603)</u>



## STATEMENT B (CONTINUED)

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(26,620,603)</u>
General revenues:	
Support from towns	21,533,985
Grants and contributions not restricted to specific programs	3,820,608
Miscellaneous	<u>829,331</u>
Total general revenues	<u>26,183,924</u>
Change in net assets	(436,679)
NET ASSETS - JULY 1, RESTATED	<u>14,099,934</u>
NET ASSETS - JUNE 30	<u>\$ 13,663,255</u>

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

## REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,206,843	\$ 123,698	\$ 1,330,541
Investments	-	1,840,872	1,840,872
Accounts receivables (net of allowance for uncollectibles):			
Intergovernmental	63,902	492,935	556,837
Other		167,936	167,936
Inventory	-	11,987	11,987
Prepaid expenses	119,589	-	119,589
Due from other funds	946,910	361,710	1,308,620
<b>TOTAL ASSETS</b>	<u>\$ 2,337,244</u>	<u>\$ 2,999,138</u>	<u>\$ 5,336,382</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 22,255	\$ 7,778	\$ 30,033
Accrued payroll	200,000	-	200,000
Due to other funds	361,710	946,910	1,308,620
<b>TOTAL LIABILITIES</b>	<u>583,965</u>	<u>954,688</u>	<u>1,538,653</u>
Fund Balances:			
Nonspendable	119,589	11,987	131,576
Restricted	-	2,087,409	2,087,409
Committed	610,102	213,536	823,638
Assigned	-	24,645	24,645
Unassigned	1,023,588	(293,127)	730,461
<b>TOTAL FUND BALANCES</b>	<u>1,753,279</u>	<u>2,044,450</u>	<u>3,797,729</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,337,244</u>	<u>\$ 2,999,138</u>	<u>\$ 5,336,382</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, 2012

	Total Governmental Funds
Total Fund Balances	\$ 3,797,729
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	16,343,500
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 (Note 14)	(1,456,844)
Obligation for bonds payable	(3,937,000)
Capital leases payable	(495,058)
Accrued compensated absences	(589,072)
Net assets of governmental activities	\$ 13,663,255

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

## REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>			
Support from towns	\$ 21,533,985	\$ -	\$ 21,533,985
Intergovernmental revenues	5,674,165	3,142,669	8,816,834
Charges for services	138,543	-	138,543
Miscellaneous	178,860	650,471	829,331
<b>TOTAL REVENUES</b>	<b>27,525,553</b>	<b>3,793,140</b>	<b>31,318,693</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	10,266,152	-	10,266,152
Special education	3,863,954	-	3,863,954
Career & technical	905,254	-	905,254
Other instructional	528,524	-	528,524
Student & staff support	2,569,689	-	2,569,689
System administration	535,076	-	535,076
School administration	1,512,884	-	1,512,884
Transportation	1,386,708	-	1,386,708
Facilities	3,349,714	-	3,349,714
Debt service:			
Principal	594,750	-	594,750
Interest	217,353	-	217,353
Change in accrued summer salaries	252,310	-	252,310
State of Maine on - behalf payments	1,853,557	-	1,853,557
Program expenses	-	4,116,235	4,116,235
<b>TOTAL EXPENDITURES</b>	<b>27,835,925</b>	<b>4,116,235</b>	<b>31,952,160</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(310,372)</b>	<b>(323,095)</b>	<b>(633,467)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	280,533	280,533
Operating transfers (out)	(280,000)	(533)	(280,533)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(280,000)</b>	<b>280,000</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>(590,372)</b>	<b>(43,095)</b>	<b>(633,467)</b>
<b>FUND BALANCES - JULY 1, RESTATED</b>	<b>2,343,651</b>	<b>2,087,545</b>	<b>4,431,196</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 1,753,279</b>	<b>\$ 2,044,450</b>	<b>\$ 3,797,729</b>

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

## REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (633,467)</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 additions	603,563
Depreciation expense	<u>(674,709)</u>
	<u>(71,146)</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>881,674</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	
	<u>(276,978)</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>252,310</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(589,072)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ (436,679)</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, 2012

	<u>Fiduciary Fund Types</u>
	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 115,629</u>
TOTAL ASSETS	<u><u>\$ 115,629</u></u>
LIABILITIES	
Deposits held for others	<u>\$ 115,629</u>
TOTAL LIABILITIES	<u><u>\$ 115,629</u></u>

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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, 2012

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, 2012

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

**Budget**

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

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	\$ 25,671,996
Add: On-behalf payments	<u>1,853,557</u>
Total GAAP basis	<u>\$ 27,525,553</u>
Expenditures per budgetary basis	\$ 26,515,796
Add: On-behalf basis	<u>1,853,557</u>
Total GAAP basis	<u>\$ 28,369,353</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.

REGIONAL SCHOOL UNIT NO. 13  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. The Unit does not adopt budgets for Special Revenue Funds.

**Deposits and Investments**

The Unit's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

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

**Inventories**

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

**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, 2012.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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, 2012

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.

**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.

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

**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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unit will not be able to recover its deposits. The Unit does not have a policy covering custodial credit risk for deposits. However, the Unit maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2012, the Unit's deposits amounting to \$1,446,170 were comprised of deposits of \$1,793,148. Of these bank deposits, \$487,738 was insured by federal depository insurance or SIPC and consequently was not exposed to custodial credit risk and \$1,305,410 was collateralized with securities held by the financial institution in the Town's name and consequently not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 250,000
Repurchase agreements	1,294,563
Savings accounts	167,010
Mutual funds	81,575
	<u>\$ 1,793,148</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Investments:**

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

At June 30, 2012, the Unit's certificates of deposit of \$173,533 were fully insured by federal depository insurance. The Unit's remaining investments of \$1,667,339 had \$500,000 that was insured by SIPC and consequently not exposed to custodial credit risk and \$1,167,339 were not insured or collateralized.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5 - more years</u>	<u>N/A</u>
US gov't agency bonds	\$ 346,985	\$ 25,213	\$ 246,563	\$ 75,209	\$ -
Corporate bonds	407,335	-	237,346	169,989	-
Mutual funds - equity	256,868	-	-	-	256,868
Mutual funds - fixed income	656,151	-	-	-	656,151
Certificates of deposit	173,533	13,477	151,056	9,000	-
	<u>\$ 1,840,872</u>	<u>\$ 38,690</u>	<u>\$ 634,965</u>	<u>\$ 254,198</u>	<u>\$ 913,019</u>

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

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Unit does not have a policy related to interest rate risk.



REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 946,910	\$ 361,710
Non-major Special Revenue Funds	361,710	946,910
	<u>\$ 1,308,620</u>	<u>\$ 1,308,620</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12
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	603,563	-	3,732,895
Vehicles	1,678,627	-	-	1,678,627
	27,411,172	603,563	-	28,014,735
Less: accumulated depreciation	<u>(11,275,005)</u>	<u>(674,709)</u>	<u>-</u>	<u>(11,949,714)</u>
	<u>16,136,167</u>	<u>(71,146)</u>	<u>-</u>	<u>16,065,021</u>
Net capital assets	<u>\$ 16,414,646</u>	<u>\$ (71,146)</u>	<u>\$ -</u>	<u>\$ 16,343,500</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current Year Depreciation

Regular education	\$ 405,155
Maintenance and operations	196,326
Transportation	63,250
Administration	1,100
School lunch	<u>8,878</u>
Total depreciation expense	<u><u>\$ 674,709</u></u>

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:

	<u>Balance,</u> <u>7/1/11</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>6/30/12</u>	<u>Due Within</u> <u>One Year</u>
Bonds payable	\$ 4,531,750	\$ -	\$ (594,750)	\$ 3,937,000	\$ 594,750
Capital leases payable	505,004	276,978	(286,924)	495,058	188,553
Accrued compensated absences	-	589,072	-	589,072	-
Totals	<u><u>\$ 5,036,754</u></u>	<u><u>\$ 866,050</u></u>	<u><u>\$ (881,674)</u></u>	<u><u>\$ 5,021,130</u></u>	<u><u>\$ 783,303</u></u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bonds and notes outstanding as of June 30, 2012:

\$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.	\$ 828,000
\$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.	316,500
\$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.	1,112,500
\$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>1,680,000</u>
Total bonds payable	<u><u>\$ 3,937,000</u></u>

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2013	\$ 594,750	\$ 194,988	\$ 789,738
2014	594,750	164,357	759,107
2015	594,750	133,060	727,810
2016	489,250	103,761	593,011
2017	489,250	76,850	566,100
2018-2022	<u>1,174,250</u>	<u>103,545</u>	<u>1,277,795</u>
	<u><u>\$ 3,937,000</u></u>	<u><u>\$ 776,561</u></u>	<u><u>\$ 4,713,561</u></u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

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

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

Year Ending <u>June 30:</u>	
2013	\$ 199,340
2014	149,901
2015	59,737
2016	59,737
2017	<u>59,737</u>
	\$ 528,452
Less: amount representing interest	<u>(33,394)</u>
Present value of minimum lease payments	<u><u>\$ 495,058</u></u>

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2012, the Unit had the following nonspendable fund balances:

Prepaid Expenses	\$ 119,589
Special Revenue Funds (Schedule C)	<u>11,987</u>
	<u><u>\$ 131,576</u></u>

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2012, the Unit had the following restricted fund balances:

Special Revenue Funds (Schedule C)	\$ 122,839
Permanent Funds (Schedule E)	<u>1,964,570</u>
	<u><u>\$ 2,087,409</u></u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2012, the Unit had the following committed fund balances:

Reserved for FY 2013 Budget	\$ 610,102
Special Revenue Funds (Schedule C)	<u>213,536</u>
	<u>\$ 823,638</u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2012, the Unit had the following assigned fund balances:

Special Revenue Funds (Schedule C)	<u>\$ 24,645</u>
------------------------------------	------------------

NOTE 10 - 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.

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 \$25,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$3,000,000.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 11 - DEFINED BENEFIT PENSION PLAN

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher retirement program. The teacher's program is a cost-sharing plan with a special funding situation, established by the Maine State Legislature. The program requires that both employees and the Unit contribute, and provides retirement, disability and death benefits. Employees are eligible for normal retirement upon reaching the age of sixty and early retirement after completing twenty-five or more years of credited service. The authority to establish and amend benefit provisions rests with the State Legislature. The funding status and progress for the teacher retirement program may be obtained by contacting the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling (800) 451-9800.

Program members are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for employees covered by this program was approximately \$12,942,297 for the year ended June 30, 2012. The State of Maine is required to contribute the employer contribution which amounts to 14.32% of compensation. Contributions paid by the State were approximately \$1,853,557 for the year ended June 30, 2012. There is no contribution required by the Unit, except for federally funded teachers. The Unit's contributions to the plan for 2012, 2011, and 2010 were \$86,198, \$126,936 and \$101,987 respectively.

NOTE 12 - OVERSPENT APPROPRIATIONS

The following departmental balances were overspent at June 30, 2012:

Special Education (Article 2)	\$ 342,718
Career & Technical (Article 3)	170
Transportation (Article 8)	<u>115,377</u>
	<u>\$ 458,265</u>

NOTE 13 - CONTINGENCIES

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 13 - CONTINGENCIES (CONTINUED)

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 14 - ACCRUED SUMMER TEACHER PAY

For the year ended June 30, 2012, Regional School Unit No. 13 has recorded \$200,000 of summer teacher pay in the modified accrual financial statements. The total amount of the accrual of \$1,656,844 has been recorded as a liability in the full accrual financial statements. If the additional \$1,456,844 of this liability had been recorded in the modified accrual financial statements, the fund balance would have been decreased to \$296,435. It is the plan of the Unit over the next several years, which started with the fiscal year ended June 30, 2011, to fully fund the accrued summer teacher pay.

NOTE 15 - DEFICIT FUND BALANCES

As of June 30, 2012, the following funds had deficit fund balances:

Non-major Funds:

Maine State Prison Tech Grant	225
Gref-Video Quick Grant	29
College Transitions Book Sale	252
Tobacco Free Grant	3,539
Local Entitlement	48,602
Local Entitlement Pre-School	3,463
21st Century Grant	203
Title VI Rural Low Income	1,689
Title IIA	4,097
Food Service	165,652
Education Jobs Fund	16,399
Computer buyout	34,339
Lora Libby After School Program	2,401
Taylor/Knight Foundation	250
	<u>281,140</u>
	<u>\$ 281,140</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 16 - RESTATEMENT

As of July 1, 2011, a restatement was made to the general fund in the amount of \$181,831 and in the nonmajor permanent funds in the amount of \$50,739. The amount in the general fund represents an adjustment for the accrued summer pay liability as of July 1, 2011. The restatement in the nonmajor permanent funds was to add the WM Stinson Jr Memorial Fund, Ciarvino School Fund and the Class of 2006 Fund to the books which should have been recorded in the prior year. The fund balance in these funds have been adjusted and the net assets for the governmental activities has been increased by \$50,739 as of July 1, 2011.

NOTE 17 - RELATED PARTY TRANSACTIONS

An employee of the Regional School Unit No. 13 was hired to provide mowing services to the Unit. During fiscal year 2012, payments for these services totaled \$19,707.



## 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Budgetary fund balance, July 1, restated	\$ 2,343,651	\$ 2,343,651	\$ 2,343,651	\$ -
Resources (inflows):				
Support from towns	21,533,985	21,533,985	21,533,985	-
Intergovernmental revenues:				
State subsidy	3,594,657	3,594,657	3,676,434	81,777
State agency client	72,020	72,020	52,805	(19,215)
Other	81,611	81,611	91,369	9,758
Charges for services	192,020	192,020	138,543	(53,477)
Interest income	12,000	12,000	9,718	(2,282)
Miscellaneous revenues	97,000	97,000	169,142	72,142
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>27,926,944</u>	<u>27,926,944</u>	<u>28,015,647</u>	<u>88,703</u>
Charges to appropriations (outflows):				
Instruction	10,388,190	10,388,190	10,266,152	122,038
Special education	3,521,236	3,521,236	3,863,954	(342,718)
Career & technical	905,084	905,084	905,254	(170)
Other instructional	559,058	559,058	528,524	30,534
Student & staff support	2,681,506	2,681,506	2,569,689	111,817
System administration	660,390	660,390	535,076	125,314
School administration	1,565,974	1,565,974	1,512,884	53,090
Transportation	1,271,331	1,271,331	1,386,708	(115,377)
Facilities	3,495,494	3,495,494	3,349,714	145,780
Debt service:				
Principal	594,750	594,750	594,750	-
Interest	225,191	225,191	217,353	7,838
Change in accrued summer salaries	-	-	252,310	(252,310)
Transfers to other funds	80,000	280,000	280,000	-
Total charges to appropriations	<u>25,948,204</u>	<u>26,148,204</u>	<u>26,262,368</u>	<u>(114,164)</u>
Budgetary fund balance, June 30	<u>\$ 1,978,740</u>	<u>\$ 1,778,740</u>	<u>\$ 1,753,279</u>	<u>\$ (25,461)</u>
Utilization of unassigned fund balance	\$ 364,911	\$ 564,911	\$ -	\$ 564,911
Utilization of assigned fund balance	-	-	-	-
	<u>\$ 364,911</u>	<u>\$ 564,911</u>	<u>\$ -</u>	<u>\$ 564,911</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

SCHEDULE 2(CONTINUED)  
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Lapsed</u>
<b>INSTRUCTION (Article 1)</b>				
Instruction	\$ 9,956,630	\$ 9,956,630	\$ 9,904,813	\$ 51,817
Contingency	100,000	100,000	-	100,000
Alternative education	271,737	271,737	312,553	(40,816)
English as a second language	59,823	59,823	48,786	11,037
Totals	<u>10,388,190</u>	<u>10,388,190</u>	<u>10,266,152</u>	<u>122,038</u>
<b>SPECIAL EDUCATION (Article 2)</b>				
Resource room	1,362,672	1,362,672	1,451,882	(89,210)
Life skills	490,597	490,597	547,379	(56,782)
Day treatment	719,002	719,002	780,366	(61,364)
Extended year program	11,378	11,378	9,814	1,564
Evaluator	148,975	148,975	152,965	(3,990)
Speech services	311,158	311,158	311,949	(791)
Other services	49,833	49,833	90,654	(40,821)
Hospital/homebound	2,559	2,559	614	1,945
Gifted and talented	80,501	80,501	74,827	5,674
Administration	344,561	344,561	443,504	(98,943)
Totals	<u>3,521,236</u>	<u>3,521,236</u>	<u>3,863,954</u>	<u>(342,718)</u>
<b>CAREER AND TECHNICAL (Article 3)</b>				
Career & technical education	905,084	905,084	905,254	(170)
Totals	<u>905,084</u>	<u>905,084</u>	<u>905,254</u>	<u>(170)</u>
<b>OTHER INSTRUCTIONAL (Article 4)</b>				
Student activities	84,903	84,903	69,254	15,649
Athletics	474,155	474,155	459,270	14,885
Totals	<u>559,058</u>	<u>559,058</u>	<u>528,524</u>	<u>30,534</u>

SCHEDULE 2(CONTINUED)  
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Lapsed</u>
<b>STUDENT AND STAFF SUPPORT (Article 5)</b>				
Guidance	\$ 684,078	\$ 684,078	\$ 725,599	\$ (41,521)
Student 504 services	30,658	30,658	70,207	(39,549)
Instructional staff training	135,618	135,618	76,672	58,946
Library	462,505	462,505	422,243	40,262
Instructional technology	555,322	555,322	528,286	27,036
Technology administration	244,093	244,093	257,930	(13,837)
Health services	267,505	267,505	261,959	5,546
Improvement of instruction	255,378	255,378	186,687	68,691
Student assessment	46,349	46,349	40,106	6,243
Totals	<u>2,681,506</u>	<u>2,681,506</u>	<u>2,569,689</u>	<u>111,817</u>
<b>SYSTEM ADMINISTRATION (Article 6)</b>				
School board	120,572	120,572	64,424	56,148
Office of the superintendent	218,638	218,638	176,904	41,734
Business office	321,180	321,180	293,748	27,432
Totals	<u>660,390</u>	<u>660,390</u>	<u>535,076</u>	<u>125,314</u>
<b>SCHOOL ADMINISTRATION (Article 7)</b>				
School administration	1,565,974	1,565,974	1,512,884	53,090
Totals	<u>1,565,974</u>	<u>1,565,974</u>	<u>1,512,884</u>	<u>53,090</u>
<b>TRANSPORTATION (Article 8)</b>				
	<u>1,271,331</u>	<u>1,271,331</u>	<u>1,386,708</u>	<u>(115,377)</u>
<b>FACILITIES (Article 9)</b>				
Operations & maintenance - schools	1,689,874	1,689,874	1,569,422	120,452
Custodial services	1,153,906	1,153,906	1,151,751	2,155
Contingency	100,000	100,000	-	100,000
District maintenance	551,714	551,714	628,541	(76,827)
Totals	<u>3,495,494</u>	<u>3,495,494</u>	<u>3,349,714</u>	<u>145,780</u>

SCHEDULE 2(CONTINUED)  
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Lapsed</u>
DEBT SERVICE				
Principal	594,750	594,750	594,750	-
Interest	225,191	225,191	217,353	7,838
Totals	<u>819,941</u>	<u>819,941</u>	<u>812,103</u>	<u>7,838</u>
CHANGE IN ACCRUED SUMMER SALARIES				
	<u>-</u>	<u>-</u>	<u>252,310</u>	<u>(252,310)</u>
TRANSFERS TO OTHER FUNDS				
Food service transfer	80,000	80,000	80,000	-
Fuel Stabilization	-	200,000	200,000	-
Totals	<u>80,000</u>	<u>280,000</u>	<u>280,000</u>	<u>-</u>
<b>TOTAL</b>	<u><u>\$ 25,948,204</u></u>	<u><u>\$ 26,148,204</u></u>	<u><u>\$ 26,010,058</u></u>	<u><u>\$ 138,146</u></u>

See accompanying independent auditors' report.

## REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 123,698	\$ 123,698
Investments	-	1,840,872	1,840,872
Accounts receivable:			
Intergovernmental	492,935	-	492,935
Other	167,936	-	167,936
Inventory	11,987	-	11,987
Due from other funds	361,710	-	361,710
Total assets	<u>\$ 1,034,568</u>	<u>\$ 1,964,570</u>	<u>\$ 2,999,138</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,778	\$ -	\$ 7,778
Due to other funds	946,910	-	946,910
Total liabilities	<u>954,688</u>	<u>-</u>	<u>954,688</u>
<b>FUND BALANCES</b>			
Nonspendable	11,987	-	11,987
Restricted	122,839	1,964,570	2,087,409
Committed	213,536	-	213,536
Assigned	24,645	-	24,645
Unassigned	(293,127)	-	(293,127)
Total fund balances	<u>79,880</u>	<u>1,964,570</u>	<u>2,044,450</u>
Total liabilities and fund balances	<u>\$ 1,034,568</u>	<u>\$ 1,964,570</u>	<u>\$ 2,999,138</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, 2012

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
Intergovernmental revenue	\$ 3,142,669	\$ -	\$ 3,142,669
Other	<u>584,685</u>	<u>65,786</u>	<u>650,471</u>
TOTAL REVENUES	<u>3,727,354</u>	<u>65,786</u>	<u>3,793,140</u>
EXPENDITURES			
Program expenses	<u>4,019,158</u>	<u>97,077</u>	<u>4,116,235</u>
TOTAL EXPENDITURES	<u>4,019,158</u>	<u>97,077</u>	<u>4,116,235</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(291,804)</u>	<u>(31,291)</u>	<u>(323,095)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in	280,533	-	280,533
Operating transfers (out)	<u>(533)</u>	<u>-</u>	<u>(533)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>280,000</u>	<u>-</u>	<u>280,000</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER (USES)	(11,804)	(31,291)	(43,095)
FUND BALANCES - JULY 1, RESTATED	<u>91,684</u>	<u>1,995,861</u>	<u>2,087,545</u>
FUND BALANCES - JUNE 30	<u>\$ 79,880</u>	<u>\$ 1,964,570</u>	<u>\$ 2,044,450</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, 2012

	State Stabilization Funds	ARRA Title IA	ARRA Local Entitlement	ARRA Local Entitlement Pre School	Donations Equipment	Maine State Prison Tech Grant	Before School Supervision
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	161,563	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	740
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161,563</b>	<b>\$ -</b>	<b>\$ 740</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	160,607	225	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160,607</b>	<b>225</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	956	-	740
Unassigned	-	-	-	-	-	(225)	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>956</b>	<b>(225)</b>	<b>740</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 161,563</b>	<b>\$ -</b>	<b>\$ 740</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	<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>TGS After School Program</u>	<u>College Transitions Book Sale</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	20,101	43	-	1,989	4,323	632	-
<b>Total assets</b>	<b>\$ 20,101</b>	<b>\$ 43</b>	<b>\$ -</b>	<b>\$ 1,989</b>	<b>\$ 4,323</b>	<b>\$ 632</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,827	\$ -	\$ -	\$ 427	\$ -	\$ -	\$ -
Due to other funds	-	-	29	-	-	-	252
<b>Total liabilities</b>	<b>1,827</b>	<b>-</b>	<b>29</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>252</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	43	-	1,562	-	-	-
Committed	-	-	-	-	-	632	-
Assigned	18,274	-	-	-	4,323	-	-
Unassigned	-	-	(29)	-	-	-	(252)
<b>Total fund balances</b>	<b>18,274</b>	<b>43</b>	<b>(29)</b>	<b>1,562</b>	<b>4,323</b>	<b>632</b>	<b>(252)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,101</b>	<b>\$ 43</b>	<b>\$ -</b>	<b>\$ 1,989</b>	<b>\$ 4,323</b>	<b>\$ 632</b>	<b>\$ -</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	<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>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Other	-	2,500	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	6,865	776	150	8,827	18,952
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ 6,865</b>	<b>\$ 776</b>	<b>\$ 150</b>	<b>\$ 8,827</b>	<b>\$ 18,952</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 251	\$ -	\$ -	\$ -	\$ 399
Due to other funds	-	2,500	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>2,500</b>	<b>251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>399</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	6,614	776	-	8,827	18,553
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	150	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>6,614</b>	<b>776</b>	<b>150</b>	<b>8,827</b>	<b>18,553</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 2,500</b>	<b>\$ 6,865</b>	<b>\$ 776</b>	<b>\$ 150</b>	<b>\$ 8,827</b>	<b>\$ 18,952</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	Tobacco Free Grant	DOE Tyler Tech Support Grant	College Transitions	Dental Health	Gref-World Language West Side	Lonza Grant	Title IA Disadvantage
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	191,465
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	1,474	455	202	250	1,496	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,474</b>	<b>\$ 455</b>	<b>\$ 202</b>	<b>\$ 250</b>	<b>\$ 1,496</b>	<b>\$ 191,465</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -
Due to other funds	3,539	-	-	-	-	-	191,465
<b>Total liabilities</b>	<b>3,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>191,465</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,474	455	-	250	1,396	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	202	-	-	-
Unassigned	(3,539)	-	-	-	-	-	-
<b>Total fund balances</b>	<b>(3,539)</b>	<b>1,474</b>	<b>455</b>	<b>202</b>	<b>250</b>	<b>1,396</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 1,474</b>	<b>\$ 455</b>	<b>\$ 202</b>	<b>\$ 250</b>	<b>\$ 1,496</b>	<b>\$ 191,465</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	Title IA Program Improvement	Local Entitlement	Local Entitlement Pre School	21st Century Grant	Travel Program Adult Ed	Title IID	Title VI Rural Low Income
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	7,828	14,320	-	-	-	-	-
Other	-	-	-	3,873	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	19,385	-	-
<b>Total assets</b>	<b>\$ 7,828</b>	<b>\$ 14,320</b>	<b>\$ -</b>	<b>\$ 3,873</b>	<b>\$ 19,385</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 1,935	\$ -	\$ 1,498	\$ -	\$ -	\$ -
Due to other funds	7,828	60,987	3,463	2,578	-	-	1,689
<b>Total liabilities</b>	<b>7,828</b>	<b>62,922</b>	<b>3,463</b>	<b>4,076</b>	<b>-</b>	<b>-</b>	<b>1,689</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	19,385	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(48,602)	(3,463)	(203)	-	-	(1,689)
<b>Total fund balances</b>	<b>-</b>	<b>(48,602)</b>	<b>(3,463)</b>	<b>(203)</b>	<b>19,385</b>	<b>-</b>	<b>(1,689)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,828</b>	<b>\$ 14,320</b>	<b>\$ -</b>	<b>\$ 3,873</b>	<b>\$ 19,385</b>	<b>\$ -</b>	<b>\$ -</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	<u>Title IIA</u>	<u>FEMA Grant</u>	<u>Community Corrections</u>	<u>Target Field Trip Grant</u>	<u>Food Service</u>	<u>Les Richards Scholarship</u>	<u>AEFLA</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	138,389	65	-	-	23,648	-	1,782
Other	-	-	-	-	-	-	-
Inventory	-	-	-	-	11,987	-	-
Due from other funds	-	25,416	250	800	-	875	34,805
<b>Total assets</b>	<b>\$ 138,389</b>	<b>\$ 25,481</b>	<b>\$ 250</b>	<b>\$ 800</b>	<b>\$ 35,635</b>	<b>\$ 875</b>	<b>\$ 36,587</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 65	\$ -	\$ -	\$ 852	\$ -	\$ 424
Due to other funds	142,486	-	-	-	200,435	-	-
<b>Total liabilities</b>	<b>142,486</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>201,287</b>	<b>-</b>	<b>424</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	11,987	-	-
Restricted	-	25,416	250	800	-	875	36,163
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(4,097)	-	-	-	(177,639)	-	-
<b>Total fund balances</b>	<b>(4,097)</b>	<b>25,416</b>	<b>250</b>	<b>800</b>	<b>(165,652)</b>	<b>875</b>	<b>36,163</b>
<b>Total liabilities and fund balances</b>	<b>\$ 138,389</b>	<b>\$ 25,481</b>	<b>\$ 250</b>	<b>\$ 800</b>	<b>\$ 35,635</b>	<b>\$ 875</b>	<b>\$ 36,587</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2012

	Education Jobs Fund	Computer Buyout	Adult Education	Lora Libby After School Program	ARRA Title IID	Taylor/ Knight Foundation	Fuel Stabilization Fund	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:								
Intergovernmental	115,438	-	-	-	-	-	-	492,935
Other	-	-	-	-	-	-	-	167,936
Inventory	-	-	-	-	-	-	-	11,987
Due from other funds	-	-	12,904	-	-	-	200,000	361,710
<b>Total assets</b>	<b>\$ 115,438</b>	<b>\$ -</b>	<b>\$ 12,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 1,034,568</b>
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,778
Due to other funds	131,837	34,339	-	2,401	-	250	-	946,910
<b>Total liabilities</b>	<b>131,837</b>	<b>34,339</b>	<b>-</b>	<b>2,401</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>954,688</b>
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	11,987
Restricted	-	-	-	-	-	-	-	122,839
Committed	-	-	12,904	-	-	-	200,000	213,536
Assigned	-	-	-	-	-	-	-	24,645
Unassigned	(16,399)	(34,339)	-	(2,401)	-	(250)	-	(293,127)
<b>Total fund balances</b>	<b>(16,399)</b>	<b>(34,339)</b>	<b>12,904</b>	<b>(2,401)</b>	<b>-</b>	<b>(250)</b>	<b>200,000</b>	<b>79,880</b>
<b>Total liabilities and fund balances</b>	<b>\$ 115,438</b>	<b>\$ -</b>	<b>\$ 12,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 1,034,568</b>

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, 2012

	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	\$ 37,594	\$ -	\$ 89,496	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	5,122
TOTAL REVENUES	<u>37,594</u>	<u>-</u>	<u>89,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,122</u>
EXPENDITURES							
Program expenses	<u>303,333</u>	<u>36,537</u>	<u>-</u>	<u>15,833</u>	<u>7,591</u>	<u>-</u>	<u>4,703</u>
TOTAL EXPENDITURES	<u>303,333</u>	<u>36,537</u>	<u>-</u>	<u>15,833</u>	<u>7,591</u>	<u>-</u>	<u>4,703</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(265,739)</u>	<u>(36,537)</u>	<u>89,496</u>	<u>(15,833)</u>	<u>(7,591)</u>	<u>-</u>	<u>419</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>(265,739)</u>	<u>(36,537)</u>	<u>89,496</u>	<u>(15,833)</u>	<u>(7,591)</u>	<u>-</u>	<u>419</u>
FUND BALANCES, JULY 1	<u>265,739</u>	<u>36,537</u>	<u>(89,496)</u>	<u>15,833</u>	<u>8,547</u>	<u>(225)</u>	<u>321</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 956</u>	<u>\$ (225)</u>	<u>\$ 740</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, 2012

	<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>TGS After School Program</u>	<u>College Transitions Book Sale</u>
REVENUES							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	40,894	2,247	-	10,272	2,822	1,000	-
TOTAL REVENUES	<u>40,894</u>	<u>2,247</u>	<u>-</u>	<u>10,272</u>	<u>2,822</u>	<u>1,000</u>	<u>-</u>
EXPENDITURES							
Program expenses	39,144	2,214	-	9,335	-	368	481
TOTAL EXPENDITURES	<u>39,144</u>	<u>2,214</u>	<u>-</u>	<u>9,335</u>	<u>-</u>	<u>368</u>	<u>481</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,750</u>	<u>33</u>	<u>-</u>	<u>937</u>	<u>2,822</u>	<u>632</u>	<u>(481)</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>1,750</u>	<u>33</u>	<u>-</u>	<u>937</u>	<u>2,822</u>	<u>632</u>	<u>(481)</u>
FUND BALANCES, JULY 1	<u>16,524</u>	<u>10</u>	<u>(29)</u>	<u>625</u>	<u>1,501</u>	<u>-</u>	<u>229</u>
FUND BALANCES, JUNE 30	<u>\$ 18,274</u>	<u>\$ 43</u>	<u>\$ (29)</u>	<u>\$ 1,562</u>	<u>\$ 4,323</u>	<u>\$ 632</u>	<u>\$ (252)</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, 2012

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,670
Other	-	25,000	33,233	9,000	-	2,875	-
TOTAL REVENUES	-	25,000	33,233	9,000	-	2,875	39,670
EXPENDITURES							
Program expenses	892	25,000	32,887	9,000	-	4,608	38,339
TOTAL EXPENDITURES	892	25,000	32,887	9,000	-	4,608	38,339
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(892)	-	346	-	-	(1,733)	1,331
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)	(892)	-	346	-	-	(1,733)	1,331
FUND BALANCES, JULY 1	892	-	6,268	776	150	10,560	17,222
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ 6,614	\$ 776	\$ 150	\$ 8,827	\$ 18,553

## 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, 2012

	Tobacco Free Grant	DOE Tyler Tech Support Grant	College Transitions	Dental Health	Gref-World Language West Side	Lonza Grant	Title IA Disadvantaged
REVENUES							
Intergovernmental revenue	\$ 55,416	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 819,717
Other	-	-	-	-	-	1,631	-
TOTAL REVENUES	<u>55,416</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>1,631</u>	<u>819,717</u>
EXPENDITURES							
Program expenses	69,129	-	29,545	-	-	1,150	756,933
TOTAL EXPENDITURES	<u>69,129</u>	<u>-</u>	<u>29,545</u>	<u>-</u>	<u>-</u>	<u>1,150</u>	<u>756,933</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,713)</u>	<u>-</u>	<u>455</u>	<u>-</u>	<u>-</u>	<u>481</u>	<u>62,784</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>(13,713)</u>	<u>-</u>	<u>455</u>	<u>-</u>	<u>-</u>	<u>481</u>	<u>62,784</u>
FUND BALANCES, JULY 1	<u>10,174</u>	<u>1,474</u>	<u>-</u>	<u>202</u>	<u>250</u>	<u>915</u>	<u>(62,784)</u>
FUND BALANCES, JUNE 30	<u>\$ (3,539)</u>	<u>\$ 1,474</u>	<u>\$ 455</u>	<u>\$ 202</u>	<u>\$ 250</u>	<u>\$ 1,396</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Title IA Program Improvement	Local Entitlement	Local Entitlement Pre School	21st Century Grant	Travel Program Adult Ed	Title IID	Title VI Rural Low Income
REVENUES							
Intergovernmental revenue	\$ 67,827	\$ 540,099	\$ 2,587	\$ 46,475	\$ -	\$ -	\$ 45,260
Other	-	-	-	-	35,548	-	-
TOTAL REVENUES	<u>67,827</u>	<u>540,099</u>	<u>2,587</u>	<u>46,475</u>	<u>35,548</u>	<u>-</u>	<u>45,260</u>
EXPENDITURES							
Program expenses	<u>67,827</u>	<u>551,510</u>	<u>4,510</u>	<u>46,475</u>	<u>16,163</u>	<u>-</u>	<u>64,863</u>
TOTAL EXPENDITURES	<u>67,827</u>	<u>551,510</u>	<u>4,510</u>	<u>46,475</u>	<u>16,163</u>	<u>-</u>	<u>64,863</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(11,411)</u>	<u>(1,923)</u>	<u>-</u>	<u>19,385</u>	<u>-</u>	<u>(19,603)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	533	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>533</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>(11,411)</u>	<u>(1,923)</u>	<u>-</u>	<u>19,385</u>	<u>533</u>	<u>(19,603)</u>
FUND BALANCES, JULY 1	<u>-</u>	<u>(37,191)</u>	<u>(1,540)</u>	<u>(203)</u>	<u>-</u>	<u>(533)</u>	<u>17,914</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ (48,602)</u>	<u>\$ (3,463)</u>	<u>\$ (203)</u>	<u>\$ 19,385</u>	<u>\$ -</u>	<u>\$ (1,689)</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, 2012

	<u>Title IIA</u>	<u>FEMA Grant</u>	<u>Community Corrections</u>	<u>Target Field Trip Grant</u>	<u>Food Service</u>	<u>Les Richards Scholarship</u>	<u>AEFLA</u>
REVENUES							
Intergovernmental revenue	\$ 206,834	\$ 10,347	\$ 250	\$ -	\$ 564,586	\$ -	\$ 97,978
Other	-	-	-	-	296,016	1,075	-
TOTAL REVENUES	<u>206,834</u>	<u>10,347</u>	<u>250</u>	<u>-</u>	<u>860,602</u>	<u>1,075</u>	<u>97,978</u>
EXPENDITURES							
Program expenses	158,577	582	-	-	1,036,000	200	51,280
TOTAL EXPENDITURES	<u>158,577</u>	<u>582</u>	<u>-</u>	<u>-</u>	<u>1,036,000</u>	<u>200</u>	<u>51,280</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>48,257</u>	<u>9,765</u>	<u>250</u>	<u>-</u>	<u>(175,398)</u>	<u>875</u>	<u>46,698</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>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	48,257	9,765	250	-	(95,398)	875	46,698
FUND BALANCES, JULY 1	<u>(52,354)</u>	<u>15,651</u>	<u>-</u>	<u>800</u>	<u>(70,254)</u>	<u>-</u>	<u>(10,535)</u>
FUND BALANCES, JUNE 30	<u>\$ (4,097)</u>	<u>\$ 25,416</u>	<u>\$ 250</u>	<u>\$ 800</u>	<u>\$ (165,652)</u>	<u>\$ 875</u>	<u>\$ 36,163</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, 2012

	Education Jobs Fund	Computer Buyout	Adult Education	Lora Libby After School Program	ARRA Title IID	Taylor/ Knight Foundation	Fuel Stabilization Fund	Total
<b>REVENUES</b>								
Intergovernmental revenue	\$ 452,859	\$ -	\$ 35,674	\$ -	\$ -	\$ -	\$ -	\$ 3,142,669
Other	-	-	91,412	26,538	-	-	-	584,685
<b>TOTAL REVENUES</b>	<b>452,859</b>	<b>-</b>	<b>127,086</b>	<b>26,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,727,354</b>
<b>EXPENDITURES</b>								
Program expenses	469,258	-	134,637	30,004	-	250	-	4,019,158
<b>TOTAL EXPENDITURES</b>	<b>469,258</b>	<b>-</b>	<b>134,637</b>	<b>30,004</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>4,019,158</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,399)</b>	<b>-</b>	<b>(7,551)</b>	<b>(3,466)</b>	<b>-</b>	<b>(250)</b>	<b>-</b>	<b>(291,804)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	-	-	200,000	280,533
Operating transfers (out)	-	-	-	-	(533)	-	-	(533)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(533)</b>	<b>-</b>	<b>200,000</b>	<b>280,000</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>(16,399)</b>	<b>-</b>	<b>(7,551)</b>	<b>(3,466)</b>	<b>(533)</b>	<b>(250)</b>	<b>200,000</b>	<b>(11,804)</b>
<b>FUND BALANCES, JULY 1</b>	<b>-</b>	<b>(34,339)</b>	<b>20,455</b>	<b>1,065</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>91,684</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ (16,399)</b>	<b>\$ (34,339)</b>	<b>\$ 12,904</b>	<b>\$ (2,401)</b>	<b>\$ -</b>	<b>\$ (250)</b>	<b>\$ 200,000</b>	<b>\$ 79,880</b>

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, 2012

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Doris MacDougal Trust	Hermia Toothaker Trust	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
<b>ASSETS</b>							
Cash and cash equivalents	\$ 29,929	\$ 176	\$ 44	\$ 148	\$ 1,597	\$ 162	\$ 28,043
Investments	-	7,528	1,854	6,297	68,080	6,897	566,740
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 29,929</u></b>	<b><u>\$ 7,704</u></b>	<b><u>\$ 1,898</u></b>	<b><u>\$ 6,445</u></b>	<b><u>\$ 69,677</u></b>	<b><u>\$ 7,059</u></b>	<b><u>\$ 594,783</u></b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	29,929	7,704	1,898	6,445	69,677	7,059	594,783
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b><u>29,929</u></b>	<b><u>7,704</u></b>	<b><u>1,898</u></b>	<b><u>6,445</u></b>	<b><u>69,677</u></b>	<b><u>7,059</u></b>	<b><u>594,783</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 29,929</u></b>	<b><u>\$ 7,704</u></b>	<b><u>\$ 1,898</u></b>	<b><u>\$ 6,445</u></b>	<b><u>\$ 69,677</u></b>	<b><u>\$ 7,059</u></b>	<b><u>\$ 594,783</u></b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2012

	<u>Worthington Scholarship</u>	<u>Alum ni Scholarship</u>	<u>Pricilla Noddin Trust</u>	<u>Isidor Gordon Trust</u>	<u>Bontuit Scholarship</u>	<u>Miriam Pierce Scholarship</u>	<u>Ione Estes Scholarship</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 23	\$ 298	\$ 3,065	\$ 342	\$ 401	\$ 564	\$ 595
Investments	997	12,722	130,642	14,573	17,080	24,025	25,367
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,020</u></b>	<b><u>\$ 13,020</u></b>	<b><u>\$ 133,707</u></b>	<b><u>\$ 14,915</u></b>	<b><u>\$ 17,481</u></b>	<b><u>\$ 24,589</u></b>	<b><u>\$ 25,962</u></b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,020	13,020	133,707	14,915	17,481	24,589	25,962
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b><u>1,020</u></b>	<b><u>13,020</u></b>	<b><u>133,707</u></b>	<b><u>14,915</u></b>	<b><u>17,481</u></b>	<b><u>24,589</u></b>	<b><u>25,962</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,020</u></b>	<b><u>\$ 13,020</u></b>	<b><u>\$ 133,707</u></b>	<b><u>\$ 14,915</u></b>	<b><u>\$ 17,481</u></b>	<b><u>\$ 24,589</u></b>	<b><u>\$ 25,962</u></b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2012

	<u>Frederick &amp; Claudette V Scholarship</u>	<u>Seekins Scholarship</u>	<u>Hunter Scholarship</u>	<u>Goss Ruggles Scholarship</u>	<u>Harjula Scholarship</u>	<u>Moran Scholarship</u>	<u>Gutoske Scholarship</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 89	\$ 13,574	\$ 2,256	\$ 25,770	\$ 823	\$ 382	\$ 82
Investments	3,805	234,885	78,794	473,652	13,479	10,477	2,227
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 3,894</u></b>	<b><u>\$ 248,459</u></b>	<b><u>\$ 81,050</u></b>	<b><u>\$ 499,422</u></b>	<b><u>\$ 14,302</u></b>	<b><u>\$ 10,859</u></b>	<b><u>\$ 2,309</u></b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	3,894	248,459	81,050	499,422	14,302	10,859	2,309
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b><u>3,894</u></b>	<b><u>248,459</u></b>	<b><u>81,050</u></b>	<b><u>499,422</u></b>	<b><u>14,302</u></b>	<b><u>10,859</u></b>	<b><u>2,309</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 3,894</u></b>	<b><u>\$ 248,459</u></b>	<b><u>\$ 81,050</u></b>	<b><u>\$ 499,422</u></b>	<b><u>\$ 14,302</u></b>	<b><u>\$ 10,859</u></b>	<b><u>\$ 2,309</u></b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2012

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 209	\$ 214	\$ 137	\$ 608	\$ 937	\$ 120	\$ 173
Investments	5,724	5,860	2,193	16,660	25,664	3,281	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 5,933</u>	<u>\$ 6,074</u>	<u>\$ 2,330</u>	<u>\$ 17,268</u>	<u>\$ 26,601</u>	<u>\$ 3,401</u>	<u>\$ 173</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,933	6,074	2,330	17,268	26,601	3,401	173
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>5,933</u>	<u>6,074</u>	<u>2,330</u>	<u>17,268</u>	<u>26,601</u>	<u>3,401</u>	<u>173</u>
Total liabilities and fund balances	<u>\$ 5,933</u>	<u>\$ 6,074</u>	<u>\$ 2,330</u>	<u>\$ 17,268</u>	<u>\$ 26,601</u>	<u>\$ 3,401</u>	<u>\$ 173</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2012

	Class of 2004	Class of 2005	Mildred Merrill Trust	Class of 2007	Raymond Willis Dow Trust	William Holden Trust	Lindsey Memorial Scholarship
<b>ASSETS</b>							
Cash and cash equivalents	\$ 13	\$ 13	\$ 301	\$ 20	\$ 350	\$ 47	\$ 977
Investments	556	560	12,840	838	14,913	1,995	9,000
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 569</b>	<b>\$ 573</b>	<b>\$ 13,141</b>	<b>\$ 858</b>	<b>\$ 15,263</b>	<b>\$ 2,042</b>	<b>\$ 9,977</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	569	573	13,141	858	15,263	2,042	9,977
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>569</b>	<b>573</b>	<b>13,141</b>	<b>858</b>	<b>15,263</b>	<b>2,042</b>	<b>9,977</b>
<b>Total liabilities and fund balances</b>	<b>\$ 569</b>	<b>\$ 573</b>	<b>\$ 13,141</b>	<b>\$ 858</b>	<b>\$ 15,263</b>	<b>\$ 2,042</b>	<b>\$ 9,977</b>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
 JUNE 30, 2012

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,144	\$ -	\$ 72	\$ 123,698
Investments	13,478	27,189	-	1,840,872
Due from other funds	-	-	-	-
Total assets	<u>\$ 24,622</u>	<u>\$ 27,189</u>	<u>\$ 72</u>	<u>\$ 1,964,570</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	24,622	27,189	72	1,964,570
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>24,622</u>	<u>27,189</u>	<u>72</u>	<u>1,964,570</u>
Total liabilities and fund balances	<u>\$ 24,622</u>	<u>\$ 27,189</u>	<u>\$ 72</u>	<u>\$ 1,964,570</u>

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, 2012

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Doris MacDougal Trust	Hermia Toothaker Trust	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
REVENUE							
Interest	\$ 173	\$ 172	\$ 39	\$ 145	\$ 1,594	\$ 166	\$ 15,098
Net gain (loss) on investments	-	(152)	(37)	(120)	(1,340)	(124)	18,721
Contributions	-	-	214	-	-	1,100	-
TOTAL REVENUES	<u>173</u>	<u>20</u>	<u>216</u>	<u>25</u>	<u>254</u>	<u>1,142</u>	<u>33,819</u>
EXPENDITURES	<u>4,000</u>	<u>74</u>	<u>17</u>	<u>1,062</u>	<u>3,683</u>	<u>2,070</u>	<u>26,897</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(3,827)</u>	<u>(54)</u>	<u>199</u>	<u>(1,037)</u>	<u>(3,429)</u>	<u>(928)</u>	<u>6,922</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>(3,827)</u>	<u>(54)</u>	<u>199</u>	<u>(1,037)</u>	<u>(3,429)</u>	<u>(928)</u>	<u>6,922</u>
FUND BALANCES - JULY 1, RESTATED	<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>
FUND BALANCES - JUNE 30	<u>\$ 29,929</u>	<u>\$ 7,704</u>	<u>\$ 1,898</u>	<u>\$ 6,445</u>	<u>\$ 69,677</u>	<u>\$ 7,059</u>	<u>\$ 594,783</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Worthington Scholarship	Alumni Scholarship	Pricilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
REVENUE							
Interest	\$ 23	\$ 292	\$ 3,155	\$ 353	\$ 420	\$ 562	\$ 623
Net gain (loss) on investments	(20)	(258)	(2,551)	(290)	(303)	(471)	(571)
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>3</u>	<u>34</u>	<u>604</u>	<u>63</u>	<u>117</u>	<u>91</u>	<u>52</u>
EXPENDITURES	<u>10</u>	<u>126</u>	<u>13,344</u>	<u>1,550</u>	<u>2,577</u>	<u>1,241</u>	<u>3,261</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(7)</u>	<u>(92)</u>	<u>(12,740)</u>	<u>(1,487)</u>	<u>(2,460)</u>	<u>(1,150)</u>	<u>(3,209)</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)	(7)	(92)	(12,740)	(1,487)	(2,460)	(1,150)	(3,209)
FUND BALANCES - JULY 1, RESTATED	<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>
FUND BALANCES - JUNE 30	<u>\$ 1,020</u>	<u>\$ 13,020</u>	<u>\$ 133,707</u>	<u>\$ 14,915</u>	<u>\$ 17,481</u>	<u>\$ 24,589</u>	<u>\$ 25,962</u>



## REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Frederick & Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
REVENUE							
Interest	\$ 99	\$ 6,743	\$ 1,951	\$ 11,577	\$ 384	\$ 234	\$ 49
Net gain (loss) on investments	(89)	5,399	(1,173)	(8,482)	346	(130)	(30)
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>10</u>	<u>12,142</u>	<u>778</u>	<u>3,095</u>	<u>730</u>	<u>104</u>	<u>19</u>
EXPENDITURES	<u>642</u>	<u>11,486</u>	<u>2,162</u>	<u>19,668</u>	<u>549</u>	<u>278</u>	<u>10</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(632)</u>	<u>656</u>	<u>(1,384)</u>	<u>(16,573)</u>	<u>181</u>	<u>(174)</u>	<u>9</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)	(632)	656	(1,384)	(16,573)	181	(174)	9
FUND BALANCES - JULY 1, RESTATED	<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>
FUND BALANCES - JUNE 30	<u>\$ 3,894</u>	<u>\$ 248,459</u>	<u>\$ 81,050</u>	<u>\$ 499,422</u>	<u>\$ 14,302</u>	<u>\$ 10,859</u>	<u>\$ 2,309</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	<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>
REVENUE							
Interest	\$ 125	\$ 128	\$ 52	\$ 375	\$ 572	\$ 72	\$ -
Net gain (loss) on investments	(78)	(81)	(31)	(446)	(305)	(43)	-
Contributions	-	-	-	-	-	-	-
TOTAL REVENUES	<u>47</u>	<u>47</u>	<u>21</u>	<u>(71)</u>	<u>267</u>	<u>29</u>	<u>-</u>
EXPENDITURES	<u>26</u>	<u>26</u>	<u>161</u>	<u>426</u>	<u>642</u>	<u>15</u>	<u>10</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>21</u>	<u>21</u>	<u>(140)</u>	<u>(497)</u>	<u>(375)</u>	<u>14</u>	<u>(10)</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)	21	21	(140)	(497)	(375)	14	(10)
FUND BALANCES - JULY 1, RESTATED	<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>
FUND BALANCES - JUNE 30	<u>\$ 5,933</u>	<u>\$ 6,074</u>	<u>\$ 2,330</u>	<u>\$ 17,268</u>	<u>\$ 26,601</u>	<u>\$ 3,401</u>	<u>\$ 173</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Class of 2004</u>	<u>Class of 2005</u>	<u>Mildred Merrill Trust</u>	<u>Class of 2007</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
REVENUE							
Interest	\$ 13	\$ 13	\$ 294	\$ 19	\$ 341	\$ 45	\$ 2
Net gain (loss) on investments	(11)	(11)	(260)	(17)	(302)	(40)	-
Contributions	-	-	-	-	-	-	10,725
TOTAL REVENUES	<u>2</u>	<u>2</u>	<u>34</u>	<u>2</u>	<u>39</u>	<u>5</u>	<u>10,727</u>
EXPENDITURES	<u>6</u>	<u>6</u>	<u>127</u>	<u>8</u>	<u>147</u>	<u>20</u>	<u>750</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(4)</u>	<u>(4)</u>	<u>(93)</u>	<u>(6)</u>	<u>(108)</u>	<u>(15)</u>	<u>9,977</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)	(4)	(4)	(93)	(6)	(108)	(15)	9,977
FUND BALANCES - JULY 1, RESTATED	<u>573</u>	<u>577</u>	<u>13,234</u>	<u>864</u>	<u>15,371</u>	<u>2,057</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 569</u>	<u>\$ 573</u>	<u>\$ 13,141</u>	<u>\$ 858</u>	<u>\$ 15,263</u>	<u>\$ 2,042</u>	<u>\$ 9,977</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	WM Stinson Jr. Memorial	Ciaravino School Fund	Class of 2006	Totals
REVENUE				
Interest	\$ 469	\$ 675	\$ -	\$ 47,047
Net gain (loss) on investments	-	-	-	6,700
Contributions	-	-	-	12,039
TOTAL REVENUES	<u>469</u>	<u>675</u>	<u>-</u>	<u>65,786</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,077</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>469</u>	<u>675</u>	<u>-</u>	<u>(31,291)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	469	675	-	(31,291)
FUND BALANCES - JULY 1, RESTATED	<u>24,153</u>	<u>26,514</u>	<u>72</u>	<u>1,995,861</u>
FUND BALANCES - JUNE 30	<u>\$ 24,622</u>	<u>\$ 27,189</u>	<u>\$ 72</u>	<u>\$ 1,964,570</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, 2012

	Land and Non-depreciable Assets	Buildings Buildings Improvments & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Regular education	\$ 221,681	\$ 12,124,330	\$ 2,445,681	\$ -	\$ 14,791,692
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
<b>Total General Capital Assets</b>	<b>278,479</b>	<b>22,603,213</b>	<b>5,411,522</b>	<b>-</b>	<b>28,293,214</b>
<b>Less: Accumulated Depreciation</b>	<b>-</b>	<b>(8,325,566)</b>	<b>(3,624,148)</b>	<b>-</b>	<b>(11,949,714)</b>
<b>Net General Capital Assets</b>	<b>\$ 278,479</b>	<b>\$ 14,277,647</b>	<b>\$ 1,787,374</b>	<b>\$ -</b>	<b>\$ 16,343,500</b>

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, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
Regular education	\$ 14,188,129	\$ 603,563	\$ -	\$ 14,791,692
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
<b>Total General Capital Assets</b>	<b>27,689,651</b>	<b>603,563</b>	<b>-</b>	<b>28,293,214</b>
Less: Accumulated Depreciation	<u>(11,275,005)</u>	<u>(674,709)</u>	<u>-</u>	<u>(11,949,714)</u>
<b>Net General Capital Assets</b>	<b><u>\$ 16,414,646</u></b>	<b><u>\$ (71,146)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 16,343,500</u></b>

See accompanying independent auditors' report.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 43,976
School Breakfast Program	10.555	013-06A-7127-05	92,083
Fresh Fruit & Vegetables	10.582	013-06A-3028-05	57,854
School Lunch Program	10.555	013-06A-7128-05	<u>342,088</u>
Total Department of Agricultural			<u>536,001</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-6296-64	51,280
Title IA-Educationally Deprived	84.010	013-06A-6334-13	756,933
Title IA-Program Improvement	84.010	013-06A-3056-13	67,827
Local Entitlement	84.027	013-06A-6317-12	551,510
Local Entitlement - Part B Section 619	84.173	013-06A-6241-23	4,510
State Stabilization	84.394	013-06A-2077-01	303,333
Twenty First Century	84.287	013-06A-1103-13	46,475
ARRA Title IA	84.389	020-06A-3057-13	36,537
ARRA Local Entitlement - Part B Section 619	84.392	020-06A-6241-23	15,833
Rural Low Income	84.358	013-06A-1078-03	64,863
Title IIA Teacher Quality Grant	84.367	013-06A-1138-11	158,577
Education Jobs Fund	84.410	013-06A-3099-10	<u>469,258</u>
Total Department of Education			<u>2,526,936</u>
Passed through State of Maine - Department of Mental Health, Mental Retardation, and Substance Abuse Services:			
After School Program	93.575	N/A	<u>38,339</u>
			<u>38,339</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 3,101,276</u>



REGIONAL SCHOOL UNIT NO. 13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

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) 10.555 – School Breakfast Program
- 2) 10.555 – School Lunch Program
- 3) 84.010 – Title IA Educationally Deprived
- 4) 84.410 – Education Jobs Fund



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

September 7, 2012

Board of Directors  
Regional School 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, 2012, and have issued our report thereon dated September 7, 2012. 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*.

We noted certain other matters that we reported to management of Regional School Unit No. 13's in a separate letter dated October 12, 2012.

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



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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 7, 2012

Board of Directors  
Regional School 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, 2012. 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, 2012.

### 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, 2012

**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>
10.555	School Breakfast Program
10.555	School Lunch Program
84.010	Title IA Educationally Deprived
84.410	Education Jobs Fund

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

Auditee qualified as low-risk auditee? yes no

**Section II – Financial Statement Findings**

None

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

None



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## INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

September 7, 2012

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

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2012 and have issued our report thereon dated September 7, 2012. 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, 2012 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, 2012

	General Fund	Special Revenue	Totals
	(1000)	Funds (2000)	
June 30 balance per MEDMS Financial System	\$ 441,012	\$ (973,909)	\$ (532,897)
<b>Revenue Adjustments:</b>			
Audit adjustments to revenues	(57,527)	343,060	285,533
Accounts receivable variance	53,280	-	53,280
<b>Expenditure Adjustments:</b>			
Audit adjustments to expenses	194,674	585,004	779,678
Accounts payable variance	22,330	-	22,330
Accrued payroll	607,703	-	607,703
ALFI variance	1,615	-	1,615
<b>Other Adjustments:</b>			
Beginning Balance adjustments:			
Program Improvement (2320)	-	(78,456)	(78,456)
Tyler Technology (2220)	-	1,474	1,474
Funds not classified as SR on MEDMS:			
Computer Buyout (4000)	-	(34,339)	(34,339)
Lura Libby After School Program (6000)	-	(2,401)	(2,401)
FEMA Grant (6150)	-	25,416	25,416
Les Richards Scholarship (9000)	-	875	875
Community Corrections (0950)	-	250	250
Fuel Stabilization	-	200,000	200,000
Adult Ed (1500)	-	12,904	12,904
Rounding	-	2	2
Miscellaneous variance	1,016	-	1,016
Audited GAAP Basis Fund balance June 30	<u>\$ 1,264,103</u>	<u>\$ 79,880</u>	<u>\$ 1,343,983</u>