



Proven Expertise and Integrity

January 27, 2018

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School Unit No. 13 for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 20, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Regional School Unit No. 13 are described in Note 1 of Notes to Financial Statements. We noted no transactions entered into by Regional School Unit No. 13 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

As described in Note 1 of Notes to Financial Statements, the Regional School Unit No. 13 changed accounting policies related to the Governmental Accounting Standards Board (GASB Statement) No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues*, in 2017. There was no impact in the financial statements based on the cumulative effect of these accounting changes.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School Unit No. 13's financial statements was (were):

- ☐ Fair value of investments
- ☐ Allowance for uncollectible accounts
- ☐ Depreciation expense which is based on the estimated useful lives of capital assets
- ☐ Pension related assets, liabilities and expenses which are based on actuarial valuations
- ☐ Accrued compensation

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2017.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, and Notes to Required Supplementary Information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Very Best,

RHR Smith & Company

RHR Smith & Company, CPAs

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2017



Proven Expertise and Integrity

REGIONAL SCHOOL UNIT NO. 13

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JUNE 30, 2017

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Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Regional School Unit No. 13's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13 as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 4 through 11 and 50 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 13's basic financial statements. The Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2018, on our consideration of Regional School Unit No. 13's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional School Unit No. 13's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
January 27, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

(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, 2017. Please read it in conjunction with the Unit's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental funds: All 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 funds balance sheet and the governmental funds 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 funds financial statement.

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Fiduciary Net Position - Fiduciary Funds.

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Unit's governmental activities. The Unit's total net position for governmental activities increased by \$719,345 from \$13,599,334 to a balance of \$14,318,679 at year end.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - for the governmental activities decreased to a deficit balance of \$1,924,824 at the end of the fiscal year mainly due to an increase in net investment in capital assets.

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

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets	\$ 4,244,073	\$ 4,463,987
Capital Assets	24,069,830	14,996,179
Total Assets	<u>28,313,903</u>	<u>19,460,166</u>
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	881,403	817,059
Total Deferred Outflows of Resources	<u>881,403</u>	<u>817,059</u>
Liabilities:		
Current Liabilities	3,962,417	3,745,209
Long-term Debt Outstanding	10,689,662	2,624,392
Total Liabilities	<u>14,652,079</u>	<u>6,369,601</u>
Deferred Inflows of Resources:		
Deferred Meals Revenue	5,643	5,629
Deferred Inflows Related to Pensions	218,905	302,661
Total Deferred Inflows of Resources	<u>224,548</u>	<u>308,290</u>
Net Position:		
Net Investment in Capital Assets	13,691,992	12,342,182
Restricted : Special Revenue Funds	155,364	173,142
Capital Projects Funds	250,000	-
Permanent Funds	2,146,147	2,089,467
Unrestricted (Deficit)	(1,924,824)	(1,005,457)
Total Net Position	<u>\$ 14,318,679</u>	<u>\$ 13,599,334</u>

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

	<u>2017</u>	<u>2016</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 1,098,700	\$ 1,109,726
Operating grants & contributions	6,025,938	4,780,136
<i>General Revenues:</i>		
Support from towns	21,155,336	20,869,760
Grants & contributions not restricted to specific programs	3,497,933	3,202,333
Miscellaneous	310,984	228,279
Custodial receipts premium	200,109	-
Total Revenues	<u>32,289,000</u>	<u>30,190,234</u>
Expenses:		
Instruction	10,439,691	10,435,647
Special education	4,741,028	4,288,193
Career & technical	786,886	836,685
Other instructional	533,640	530,810
Student & staff support	2,410,409	2,309,933
System administration	628,805	554,407
School administration	1,400,751	1,293,815
Transportation	1,179,849	1,102,468
Facilities	2,719,440	2,915,534
Interest on long-term debt	31,049	68,716
Change in accrued compensated absences	(44,494)	(140,843)
State of Maine on-behalf payments	3,205,820	2,144,825
Custodial receipts issuance costs	183,439	-
Program expenses	3,353,342	3,052,896
Total Expenses	<u>31,569,655</u>	<u>29,393,086</u>
Change in Net Position	719,345	797,148
Net Position - July 1, Restated	<u>13,599,334</u>	<u>12,802,186</u>
Net Position - June 30	<u>\$ 14,318,679</u>	<u>\$ 13,599,334</u>

Revenues and Expenses

Revenues for the Unit's governmental activities increased by 6.95%, while total expenses increased by 7.41%. Nearly all of the Unit's revenue categories increased with the exception of a small decline in charges for services. The majority of the expenditure increase was incurred in the following categories: State of Maine on-behalf payments, special education, program expenses, custodial receipts issuance costs, and student and staff support. Expenditures in career and technical, facilities, and interest on long-term debt declined during the fiscal year.

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,

	<u>2017</u>	<u>2016</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 7,784	\$ 31,634
Unassigned	248,978	(307,623)
Total Major Funds	<u>\$ 256,762</u>	<u>\$ (275,989)</u>
Nonmajor Funds:		
Special Revenue Funds:		
Nonspendable	\$ 28,524	\$ 26,955
Restricted	155,364	173,142
Committed	169,052	95,214
Assigned	3,660	3,306
Unassigned	(39,219)	(7,952)
Capital Projects Funds:		
Restricted	250,000	-
Unassigned	(1,499,377)	(104,212)
Permanent Funds:		
Restricted	2,146,147	2,089,467
Total Nonmajor Funds	<u>\$ 1,214,151</u>	<u>\$ 2,275,920</u>

The general fund total fund balance increased by \$532,751 from the prior fiscal year. The nonmajor fund balances decreased by \$1,061,769 from the prior fiscal year primarily due to the *School of Our Future* project.

Budgetary Highlights

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

The general fund actual revenues were nearly on target, coming in over budget by \$29,294. This was mainly the result of state subsidy, charges for services, and miscellaneous revenues coming in ahead of budget, partially offset by state agency client, other intergovernmental revenues, interest income, and Medicaid transfers coming in at levels lower than originally anticipated.

The general fund actual expenditures were under budget by \$1,136,115. All expenditure categories were under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2017, the net book value of capital assets recorded by the Unit increased by \$9,073,651 from the prior fiscal year. This increase was due to capital additions of \$9,933,081 less current year depreciation expense of \$859,430. Additions consisted primarily of \$8,036,670 that will purchase energy efficient equipment for upgrades at five of the Unit's school buildings and \$1,361,583 as the start of the *School of Our Future* project.

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

	2017	2016
Land	\$ 211,479	\$ 211,479
Art work	67,000	67,000
Construction in progress	1,361,583	-
Land improvements	213,657	253,646
Buildings	12,240,045	12,687,428
Machinery & equipment	9,262,545	1,149,809
Vehicles	713,521	626,817
Total	<u>\$ 24,069,830</u>	<u>\$ 14,996,179</u>

Debt

At June 30, 2017, the Unit had an obligation to pay \$1.52 million in bonds outstanding versus \$2.06 million last year. Other obligations include capital leases payable, accrued sick and vacation time and net pension liability. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The FY 2018 budget could be impacted by reductions in state subsidy as a result of reduced state revenue projections. Curtailments in the state's biennial budget may serve to increase required local contributions and/or reductions in Unit spending.

Contacting the Unit's Financial Management

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

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,303,278
Investments	2,029,469
Accounts receivable	71,401
Due from other governments (net of allowance for uncollectibles)	803,617
Inventory	28,524
Prepaid items	7,784
Total current assets	<u>4,244,073</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,640,062
Depreciable assets, net of accumulated depreciation	22,429,768
Total noncurrent assets	<u>24,069,830</u>
TOTAL ASSETS	<u>28,313,903</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	881,403
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>881,403</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 29,195,306</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 726,195
Accrued payroll and benefits	2,009,955
Other payables	28,457
Due to other governments	2,910
Current portion of long-term obligations	1,194,900
Total current liabilities	<u>3,962,417</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	985,000
Capital leases payable	8,299,852
Net pension liability	1,085,224
Total noncurrent liabilities	<u>10,689,662</u>
TOTAL LIABILITIES	<u>14,652,079</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred meals revenue	5,643
Deferred inflows related to pensions	218,905
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>224,548</u>
NET POSITION	
Net investment in capital assets	13,691,992
Restricted:	
Special revenue funds	155,364
Capital projects funds	250,000
Permanent funds	2,146,147
Unrestricted (deficit)	(1,924,824)
TOTAL NET POSITION	<u>14,318,679</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 29,195,306</u>

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

STATEMENT B

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Instruction	\$ 10,439,691	\$ 768,639	\$ -	\$ -	\$ (9,671,052)
Special education	4,741,028	110,862	-	-	(4,630,166)
Career & technical	786,886	-	-	-	(786,886)
Other instructional	533,640	17,806	-	-	(515,834)
Student & staff support	2,410,409	-	-	-	(2,410,409)
System administration	628,805	-	-	-	(628,805)
School administration	1,400,751	-	-	-	(1,400,751)
Transportation	1,179,849	-	-	-	(1,179,849)
Facilities	2,719,440	-	130,855	-	(2,588,585)
Interest on long-term debt	31,049	-	-	-	(31,049)
Change in accrued compensated absences	(44,494)	-	-	-	44,494
State of Maine on-behalf payments	3,205,820	-	3,205,820	-	-
Custodial receipts issuance costs	183,439	-	-	-	(183,439)
Program expenses	3,353,342	201,393	2,689,263	-	(462,686)
Total government	<u>\$ 31,569,655</u>	<u>\$ 1,098,700</u>	<u>\$ 6,025,938</u>	<u>\$ -</u>	<u>(24,445,017)</u>

STATEMENT B (CONTINUED)

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(24,445,017)</u>
General revenues:	
Support from towns	21,155,336
Grants and contributions not restricted to specific programs	3,497,933
Miscellaneous	310,984
Custodial receipts premium	200,109
Total general revenues	<u>25,164,362</u>
Change in net position	719,345
NET POSITION - JULY 1, RESTATED	<u>13,599,334</u>
NET POSITION - JUNE 30	<u><u>\$ 14,318,679</u></u>

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

STATEMENT C

REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,176,259	\$ 127,019	\$ 1,303,278
Investments	-	2,029,469	2,029,469
Accounts receivable	200	71,201	71,401
Due from other governments (net of allowance for uncollectibles)	175,509	628,108	803,617
Inventory	-	28,524	28,524
Prepaid items	7,784	-	7,784
Due from other funds	1,779,076	634,613	2,413,689
TOTAL ASSETS	\$ 3,138,828	\$ 3,518,934	\$ 6,657,762
LIABILITIES			
Accounts payable	\$ 206,131	\$ 520,064	\$ 726,195
Accrued payroll and benefits	2,009,955	-	2,009,955
Other payables	28,457	-	28,457
Due to other governments	2,910	-	2,910
Due to other funds	634,613	1,779,076	2,413,689
TOTAL LIABILITIES	2,882,066	2,299,140	5,181,206
DEFERRED INFLOWS OF RESOURCES			
Deferred meals revenue	-	5,643	5,643
TOTAL DEFERRED INFLOWS OF RESOURCES	-	5,643	5,643
FUND BALANCES (DEFICITS)			
Nonspendable	7,784	28,524	36,308
Restricted	-	2,551,511	2,551,511
Committed	-	169,052	169,052
Assigned	-	3,660	3,660
Unassigned	248,978	(1,538,596)	(1,289,618)
TOTAL FUND BALANCES (DEFICITS)	256,762	1,214,151	1,470,913
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 3,138,828	\$ 3,518,934	\$ 6,657,762

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

REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

	Total Governmental Funds
Total Fund Balances	\$ 1,470,913
Amounts reported for governmental activities in the Statement of Net Position 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	24,069,830
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	881,403
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(1,524,250)
Capital leases payable	(8,853,588)
Accrued compensated absences	(421,500)
Net pension liability	(1,085,224)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(218,905)
Net position of governmental activities	<u>\$ 14,318,679</u>

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

STATEMENT E

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Support from towns	\$ 21,155,336	\$ -	\$ 21,155,336
Intergovernmental revenues	4,965,914	2,689,263	7,655,177
Charges for services	897,307	201,393	1,098,700
Miscellaneous	54,813	256,171	310,984
TOTAL REVENUES	<u>27,073,370</u>	<u>3,146,827</u>	<u>30,220,197</u>
EXPENDITURES			
Current:			
Instruction	9,805,666	-	9,805,666
Special education	4,743,895	-	4,743,895
Career & technical	786,886	-	786,886
Other instructional	533,640	-	533,640
Student & staff support	2,431,226	-	2,431,226
System administration	634,538	-	634,538
School administration	1,407,823	-	1,407,823
Transportation	1,205,992	-	1,205,992
Facilities	2,626,775	-	2,626,775
State of Maine on-behalf payments	1,467,981	-	1,467,981
Program expenses	-	3,353,766	3,353,766
Capital expenditures	8,036,670	1,361,583	9,398,253
Debt service:			
Principal	358,395	-	358,395
Interest	31,049	-	31,049
TOTAL EXPENDITURES	<u>34,070,536</u>	<u>4,715,349</u>	<u>38,785,885</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,997,166)</u>	<u>(1,568,522)</u>	<u>(8,565,688)</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	8,020,000	-	8,020,000
Custodial receipts premium	200,109	-	200,109
Custodial receipts issuance costs	(183,439)	-	(183,439)
Transfers in	73,905	580,658	654,563
Transfers (out)	(580,658)	(73,905)	(654,563)
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,529,917</u>	<u>506,753</u>	<u>8,036,670</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	532,751	(1,061,769)	(529,018)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>(275,989)</u>	<u>2,275,920</u>	<u>1,999,931</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 256,762</u>	<u>\$ 1,214,151</u>	<u>\$ 1,470,913</u>

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, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (529,018)</u>
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Amounts reported for governmental activities in the Statement of Activities
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental
activities report depreciation expense allocated to those expenditures over
the life of the assets:

Capital asset acquisitions	9,933,081
Depreciation expense	<u>(859,430)</u>
	<u>9,073,651</u>

Deferred outflows of resources are a consumption of net position by the
government that are applicable to a future reporting period and therefore are
not reported in the funds

64,344

Repayment of long-term debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the Statement of
Net Position

830,987

Debt proceeds provide current financial resources to governmental funds, but
issuing debt increases long-term liabilities in the Statement of Net Position

(8,554,828)

Deferred inflows of resources are an acquisition of net position by the
government that are applicable to a future reporting period and therefore are
not reported in the funds

83,756

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	44,494
Net pension liability	<u>(294,041)</u>
	<u>(249,547)</u>

Change in net position of governmental activities (Statement B)

\$ 719,345

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

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2017

	Agency Funds	Student Activities
ASSETS		
Cash and cash equivalents	\$ 190,995	
Due from other governments	-	
TOTAL ASSETS	<u>\$ 190,995</u>	
LIABILITIES		
Accounts payable	\$ -	
Deposits held for others	190,995	
TOTAL LIABILITIES	<u>\$ 190,995</u>	

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

REGIONAL SCHOOL UNIT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 77, "*Tax Abatement Disclosures*". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined the impact of this Statement is not applicable.

Statement No. 80, "*Blending Requirements for Certain Component Units*". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 81, "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 82, "*Pension Issues*". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

In the government-wide Statement of Net Position, the governmental activities 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Unit first utilizes restricted resources to finance qualifying activities.

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

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

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

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements & Fund Financial Statements

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

1. Governmental Funds:

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

Major Funds

- 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.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Permanent Funds are used to account for assets held by the Unit that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Unit or its citizenry. The Unit's policy for authorizing and spending investment income follows State statutes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Unit programs. The reporting focus is

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	\$25,679,294
Add: On-behalf payments	<u>1,467,981</u>
Total GAAP basis	<u>\$27,147,275</u>
Expenditures per budgetary basis	\$25,146,543
Add: On-behalf basis	<u>1,467,981</u>
Total GAAP basis	<u>\$26,614,524</u>

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

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

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$875,018 for the year ended June 30, 2017. The allowance for uncollectible accounts is estimated to be \$58,395 as of June 30, 2017.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Unit consists of school nutrition supplies and food on hand at the end of the year.

Prepaid Items

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

Interfund Receivables and Payables

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

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

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Compensated Absences

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Unit or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

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

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

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

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

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

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

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

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. While the Unit does utilize encumbrance accounting for its general fund, encumbrances outstanding at June 30, 2017 lapse and are reappropriated and/or reencumbered as part of the subsequent year's budget. The Unit had no material encumbrances outstanding at June 30, 2017.

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.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017, the Unit's deposits and cash equivalents amounting to \$1,494,273 were comprised of bank deposits and cash equivalents of \$2,053,231. Of these bank deposits and cash equivalents, \$359,090 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,491,926 was collateralized with securities held by the financial institution in the Unit's name. The remaining deposits of \$202,215 were uncollateralized and uninsured.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 452,215
Repurchase agreements	1,491,926
Savings accounts	19,916
Cash and cash equivalents	89,174
	<u>\$ 2,053,231</u>

Investments:

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

At June 30, 2017, the Unit's certificates of deposit of \$141,468 were fully insured by federal depository insurance and thus not exposed to custodial credit risk. Of the Unit's remaining investments of \$1,888,001, \$1,048,781 were covered by the Securities Investor Protection Corporation (SIPC) and \$839,220 were uninsured and uncollateralized.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Type	Fair Value	N/A	Less than 1 Year	1-5 Years	Over 5 Years
Debt securities:					
Corporate bonds	\$ 434,145	\$ -	\$ -	\$ 25,110	\$ 409,035
Equity securities:					
Common stock - domestic	372,550	372,550	-	-	-
Mutual funds:					
Equities	391,951	391,951	-	-	-
Fixed income	689,355	689,355	-	-	-
Certificates of deposit	141,468	-	62,894	69,574	9,000
	<u>\$ 2,029,469</u>	<u>\$ 1,453,856</u>	<u>\$ 62,894</u>	<u>\$ 94,684</u>	<u>\$ 418,035</u>

Fair Value Hierarchy

The Unit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Unit has the following recurring fair value measurements as June 30, 2017:

	June 30, 2017 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Corporate bonds	\$ 434,145	\$ -	\$ 434,145	\$ -
Total debt securities	<u>434,145</u>	<u>-</u>	<u>434,145</u>	<u>-</u>
Equity securities:				
Common stock - domestic	372,550	372,550	-	-
Mutual funds - domestic and foreign	1,081,306	1,081,306	-	-
Total equity securities	<u>1,453,856</u>	<u>1,453,856</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>1,888,001</u>	<u>\$ 1,453,856</u>	<u>\$ 434,145</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	-			
Total cash equivalents measured at the NAV	<u>-</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 1,888,001</u>			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Unit has no Level 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

equivalent) is calculated as of June 30, 2017 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$141,468 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk – Statutes for the State of Maine authorize the Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Unit does not have an investment policy on credit risk. Generally, the Unit invests excess funds in repurchase agreements, savings accounts and various insured certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. As of June 30, 2017, the Unit's investments in corporate bonds were rated AA+ (\$201,568), AA- (\$157,348), A (\$50,217), BBB+ (\$25,103), by Standard & Poor's Rating Service.

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 1,779,076	\$ 634,613
Nonmajor Special Revenue Funds	384,613	598,303
Nonmajor Capital Projects Funds	250,000	1,180,773
	<u>\$ 2,413,689</u>	<u>\$ 2,413,689</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	Balance, 7/1/16	Additions	Deletions	Balance, 6/30/17
Non-depreciated assets:				
Land	\$ 211,479	\$ -	\$ -	\$ 211,479
Art work	67,000	-	-	67,000
Construction in progress	-	1,361,583		1,361,583
	<u>278,479</u>	<u>1,361,583</u>	<u>-</u>	<u>1,640,062</u>
Depreciated assets:				
Land improvements	1,252,353	-	-	1,252,353
Buildings	21,947,172	-	-	21,947,172
Machinery and equipment	4,251,382	8,370,976	-	12,622,358
Vehicles	2,230,438	200,522	-	2,430,960
	<u>29,681,345</u>	<u>8,571,498</u>	<u>-</u>	<u>38,252,843</u>
Less: accumulated depreciation	<u>(14,963,645)</u>	<u>(859,430)</u>	<u>-</u>	<u>(15,823,075)</u>
	<u>14,717,700</u>	<u>7,712,068</u>	<u>-</u>	<u>22,429,768</u>
Net capital assets	<u>\$ 14,996,179</u>	<u>\$ 9,073,651</u>	<u>\$ -</u>	<u>\$ 24,069,830</u>

Current Year Depreciation:

Regular education	\$ 488,084
Maintenance and operations	212,234
Transportation	108,899
Administration	41,663
School lunch	<u>8,550</u>
Total depreciation expense	<u>\$ 859,430</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 - LONG-TERM DEBT

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

	Balance, 7/1/16	Additions	Reductions	Balance, 6/30/17	Due Within One Year
Bonds payable	\$ 2,063,500	\$ -	\$ (539,250)	\$ 1,524,250	\$ 539,250
Capital leases payable	590,497	8,554,828	(291,737)	8,853,588	553,736
Accrued compensated absences	465,994	25,953	(70,447)	421,500	101,914
Net pension liability	791,183	788,860	(494,819)	1,085,224	-
Totals	<u>\$ 3,911,174</u>	<u>\$ 9,369,641</u>	<u>\$ (1,396,253)</u>	<u>\$ 11,884,562</u>	<u>\$ 1,194,900</u>

The following is a summary of bonds outstanding as of June 30, 2017:

\$2,760,000, 1997 General Obligation bond due in annual principal installments of \$138,000 through November of 2017. The interest rate varies from 5.276% to 5.776% per annum.	\$ 138,000
\$2,225,000, 2002 General Obligation bond due in annual principal installments of \$111,250 through November of 2021. The interest rate varies from 3.048% to 5.423% per annum.	556,250
\$4,800,000, 1998 General Obligation bond due in annual principal installments of \$240,000 through November of 2018. The interest rate varies from 4.528% to 5.378% per annum.	480,000
\$500,000, 2013 General Obligation bond due in annual principal installments of \$50,000 through November of 2023. The interest rate varies from 0.600% to 2.380% per annum.	<u>350,000</u>
Total bonds payable	<u>\$ 1,524,250</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 - LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Principal	Interest	Total
2018	\$ 539,250	\$ 80,944	\$ 620,194
2019	401,250	53,558	454,808
2020	161,250	31,973	193,223
2021	161,250	18,883	180,133
2022	161,250	12,086	173,336
2023-2027	100,000	7,558	107,558
	<u>\$ 1,524,250</u>	<u>\$ 205,002</u>	<u>\$ 1,729,252</u>

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

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

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

Year Ending June 30:	
2018	\$ 825,427
2019	791,239
2020	761,081
2021	655,613
2022	606,304
2023-2027	2,934,193
2028-2032	2,922,768
2033-2037	2,286,400
Total minimum lease payments	11,783,025
Less: amount representing interest	(2,929,437)
Present value of future minimum lease payments	<u>\$ 8,853,588</u>

Amortization of leased equipment, buses, and vehicles under capital assets is included with depreciation expense.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - OPERATING LEASES

The Unit is committed under various noncancelable operating leases, primarily for equipment. Future minimum operating lease commitments for the years ending June 30, are as follows:

Year Ending June 30:	
2018	\$ 46,926
2019	46,926
2020	19,420
	<u>\$ 113,272</u>

NOTE 7 - NONSPENDABLE FUND BALANCES

At June 30, 2017, the Unit had the following nonspendable fund balances:

General Fund:	
Prepaid Items	\$ 7,784
Nonmajor Special Revenue Funds (Schedule D)	28,524
	<u>\$ 36,308</u>

NOTE 8 - RESTRICTED FUND BALANCES

At June 30, 2017, the Unit had the following restricted fund balances:

Nonmajor Special Revenue Funds (Schedule D)	\$ 155,364
Nonmajor Permanent Funds (Schedule H)	2,146,147
	<u>\$ 2,551,511</u>

NOTE 9 - COMMITTED FUND BALANCES

At June 30, 2017, the Unit had the following committed fund balances:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 169,052</u>
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NOTE 10 - ASSIGNED FUND BALANCES

At June 30, 2017, the Unit had the following assigned fund balances:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 3,660</u>
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REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - DEFICIT FUND BALANCES

At June 30, 2017, the Unit had the following deficit fund balances:

Nonmajor Special Revenues Funds:	
Food Service	\$ 10,695
Nonmajor Capital Projects Funds:	
School of our Future	1,499,377
	<u>\$ 1,510,072</u>

NOTE 12 - RISK MANAGEMENT

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

Based on the coverage provided by the insurance purchased, the Unit is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2017. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided

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

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

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Unit's teachers are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for teachers covered by this program was approximately \$12,314,117 for the year ended June 30, 2017. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 10.02% of the Unit's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$1,159,713 for the year ended June 30, 2017. Title 5 of the Maine Revised Statutes Annotated also requires the Unit to contribute at an actuarially determined normal cost rate of 3.36%, which totaled \$413,648 for 2017. In addition, the Unit is required to contribute toward the UAL of the plan and pay a small

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 10.57% of compensation and totaled \$78,232 the year ended June 30, 2017.

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

At June 30, 2017, the Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Unit. The amount recognized by the Unit as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Unit were as follows:

Unit's proportionate share of the net pension liability	\$ 1,085,224
State's proportionate share of the net pension liability associated with the Unit	<u>17,650,138</u>
Total	<u><u>\$ 18,735,362</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Unit's proportion of the net pension liability was based on a projection of the Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating school Units and the State, actuarially determined. At June 30, 2016, the Unit's proportion was 0.061428%, which was an increase of 0.002827% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Unit recognized net pension expense of \$145,941 and revenue of \$1,737,839 for support provided by the State of Maine. At June 30, 2017, the Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,988	\$ 2,049
Changes of assumptions	-	27,871
Net difference between projected and actual earnings on pension plan investments	346,535	141,995
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,071	46,990
Contributions subsequent to the measurement date	487,809	-
Total	<u>\$ 881,403</u>	<u>\$ 218,905</u>

\$487,809 reported as deferred outflows of resources related to pensions resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan
Year ended June 30:	
2017	\$ (12,840)
2018	36,198
2019	97,602
2020	53,730
2021	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2016, using the following methods and assumptions applied to all periods included in the measurement:

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

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

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

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

Asset Valuation Method

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

Amortization

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses, and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

Investment Rate of Return - For the State Employee and Teacher Plan, 6.875% per annum, compounded annually; 7.125% was used for the period ended June 30, 2015.

Salary Increases, Merit and Inflation - State Employees, 2.75% to 8.75% per year; Teachers, 2.75% to 14.50% per year.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Cost of Living Benefit Increases - 2.20%; 2.55% was used for the period ended June 30, 2016.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2016 are summarized in the following table. Assets for the defined benefit plan are comingled for investment purposes.

Asset Class	SET Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.875% for 2016 for the State Employee and Teacher Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2016 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875% for the State Employee and Teacher Plan.

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.875%	6.875%	7.875%
Employer's proportionate share of the net pension liability	\$ 1,737,721	\$ 1,085,224	\$ 541,375

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2016 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2016 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2016, this was 3 years for the State Employee and Teacher Plan.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2016 valuation were based on results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2016 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

NOTE 14 - DEFERRED COMPENSATION PLAN

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - DEFERRED COMPENSATION PLAN (CONTINUED)

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

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

NOTE 15 - CONTINGENCIES / COMMITMENTS

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

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

NOTE 16 - EXPENDITURES OVER APPROPRIATIONS

At June 30, 2017, the Unit had no overspent appropriations.

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 2017, payments for these services totaled \$34,488.

NOTE 18 - BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

Regional School Unit No. 13 is an income beneficiary of assets held by Maine Community Foundation (MCF) as a result of making reciprocal transfers of assets to MCF and specifying itself as the beneficiary. As such, Regional School Unit No. 13 receives distributions amounting to a percentage of the fair value of these assets each year. Regional School Unit No. 13 has granted variance power to MCF. The Board of Trustees of the MCF has the power to modify, consistently with State law, including seeking approval of the appropriate court or Attorney General, where applicable, any

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 18 - BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

restriction or condition on the distribution of funds for any specified entities if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Annual distributions from these assets have been reported as revenue.

The estimated fair market value of the beneficial interest in the assets, which approximate the present values of the expected future cash flows from the assets, are recognized in the statement of net position as investments. This amounted to \$48,777 for the year ended June 30, 2017.

NOTE 19 - RESTATEMENTS

The beginning fund balance of the permanent funds and the net position for the governmental activities have been restated as of July 1, 2015. These balances were restated to correct the balance in the Dylan Meklin Memorial Scholarship fund. The permanent funds and the governmental activities were restated by \$12,174.

NOTE 20 - COMPARATIVE DATA/RECLASSIFICATIONS

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

NOTE 21 – SUBSEQUENT EVENTS

In February 2017, citizens of each of the Unit's member communities approved a referendum authorizing multiple construction projects in an amount not to exceed \$23,200,000. The projects include: a new addition at the Oceanside Middle School, a new addition at the Oceanside High School, a new elementary school to be built on the site of the current Owls Head Community School (OHCS), replacing both OHCS as well as the Gilford Butler School.

Subsequent to June 30, 2017, the Unit issued the following debt to fund the aforementioned projects: General Obligation Bond Series A for \$8,100,000 and Series B for \$13,125,000, a School Revolving Renovation Fund (SRRF) bond for \$576,697 with principal forgiveness of \$173,009, resulting in net indebtedness of \$406,688, and a Qualified Zone Academy Bond (QZAB) in the amount of \$798,000. The projects are expected to be completed within the next fiscal year.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 21 – SUBSEQUENT EVENTS (CONTINUED)

In November 2016, a similar referendum was passed authorizing indebtedness to the Region 8 - Mid-Coast School of Technology to construct and equip a new career and technical school building and related facilities in an amount not to exceed \$28,000,000. General Obligation Bonds for \$24,300,000 were issued in August 2017, in which the Unit shares 25 percent of the debt or \$6,075,000 should the School default on its obligation.

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information

REGIONAL SCHOOL UNIT NO. 13

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ (275,989)	\$ (275,989)	\$ (275,989)	\$ -
Resources (inflows):				
Support from towns	21,155,336	21,155,336	21,155,336	-
Intergovernmental revenues:				
State subsidy	3,434,664	3,434,664	3,462,593	27,929
State agency client	17,750	17,750	8,000	(9,750)
Other	60,500	60,500	27,340	(33,160)
Charges for services	869,250	869,250	897,307	28,057
Interest income	12,500	12,500	11,186	(1,314)
Miscellaneous revenues	15,000	15,000	43,627	28,627
Transfers from other funds	85,000	85,000	73,905	(11,095)
Amounts Available for Appropriation	<u>25,374,011</u>	<u>25,374,011</u>	<u>25,403,305</u>	<u>29,294</u>
Charges to Appropriations (outflows):				
Instruction	10,139,406	9,969,406	9,805,666	163,740
Special education	4,519,886	4,744,886	4,743,895	991
Career & technical	806,843	806,843	786,886	19,957
Other instructional	566,750	566,750	533,640	33,110
Student & staff support	2,709,807	2,584,807	2,431,226	153,581
System administration	707,258	707,258	634,538	72,720
School administration	1,238,846	1,408,846	1,407,823	1,023
Transportation	1,324,982	1,324,982	1,205,992	118,990
Facilities	3,296,440	3,196,440	2,626,775	569,665
Debt service:				
Principal	359,199	359,199	358,395	804
Interest	32,583	32,583	31,049	1,534
Transfers to other funds	580,658	580,658	580,658	-
Total Charges to Appropriations	<u>26,282,658</u>	<u>26,282,658</u>	<u>25,146,543</u>	<u>1,136,115</u>
Budgetary Fund Balance, June 30	<u>\$ (908,647)</u>	<u>\$ (908,647)</u>	<u>\$ 256,762</u>	<u>\$ 1,165,409</u>
Utilization of unassigned fund balance	<u>\$ 632,658</u>	<u>\$ 632,658</u>	<u>\$ -</u>	<u>\$ (632,658)</u>

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

REGIONAL SCHOOL UNIT NO. 13

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

	2017	2016	2015
<u>SET Plan:</u>			
Unit's proportion of the net pension liability (asset)	0.06%	0.06%	0.07%
Unit's proportionate share of the net pension liability (asset)	\$ 1,085,224	\$ 791,183	\$ 733,901
State's proportionate share of the net pension liability (asset) associated with the Unit	17,650,138	14,805,141	12,155,484
Total	<u>\$ 18,735,362</u>	<u>\$ 15,596,324</u>	<u>\$ 12,889,385</u>
Unit's covered-employee payroll	\$ 12,450,008	\$ 13,198,919	\$ 13,380,695
Unit's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.72%	5.99%	5.48%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	81.18%	83.91%

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

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>SET Plan:</u>				
Contractually required contribution	\$ 487,809	\$ 494,860	\$ 443,714	\$ 461,070
Contributions in relation to the contractually required contribution	<u>(487,809)</u>	<u>(494,860)</u>	<u>(443,714)</u>	<u>(461,070)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unit's covered-employee payroll	\$ 12,314,117	\$ 12,450,008	\$ 13,198,919	\$ 13,380,695
Contributions as a percentage of covered-employee payroll	3.96%	3.97%	3.36%	3.45%

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

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

Changes of Assumptions

There was a change in the investment rate of return assumption this year from 7.125% to 6.875%. Annual salary increases, including inflation, changed from 3.50% - 13.50% to 2.75% - 14.50%, for the SET Plan. There was also a change in the cost of living benefit increase from 2.55% to 2.20%. Finally, the mortality rates for active members, nondisabled retirees and recipients of disability benefits, were determined using the RP2014 Total Dataset Healthy Annuitant Mortality Table and the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, compared to the RP2000 Tables projected forward and the Revenue Ruling 96-7 Disabled Mortality Table used in the prior year.

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

Other Supplementary Information

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

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

SCHEDULE A

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
INSTRUCTION (Article 1)				
Regular instruction - elementary	\$ 6,829,769	\$ 6,829,769	\$ 6,805,262	\$ 24,507
Regular instruction - secondary	2,610,598	2,440,598	2,290,308	150,290
Alternative education	341,691	341,691	306,419	35,272
English as a second language	87,670	87,670	131,317	(43,647)
Gifted and talented	244,678	244,678	244,754	(76)
Field trips - elementary	16,750	16,750	19,919	(3,169)
Field trips - secondary	8,250	8,250	7,687	563
Totals	<u>10,139,406</u>	<u>9,969,406</u>	<u>9,805,666</u>	<u>163,740</u>
SPECIAL EDUCATION (Article 2)				
Resource room	1,170,245	1,170,245	1,155,723	14,522
Self contained class - life skills	515,111	515,111	473,773	41,338
Self contained class - behavior	1,517,371	1,742,371	1,755,295	(12,924)
Social worker	131,718	131,718	212,346	(80,628)
Regular classroom placement	-	-	24,056	(24,056)
Psychological services	160,512	160,512	157,383	3,129
Speech services	373,469	373,469	322,628	50,841
Physical therapist	94,172	94,172	89,791	4,381
Occupational therapy	142,473	142,473	152,627	(10,154)
Hospital/homebound	3,273	3,273	5,699	(2,426)
Summer school	26,846	26,846	20,545	6,301
Administration	384,696	384,696	374,029	10,667
Totals	<u>4,519,886</u>	<u>4,744,886</u>	<u>4,743,895</u>	<u>991</u>
CAREER AND TECHNICAL (Article 3)				
Career & technical education	<u>806,843</u>	<u>806,843</u>	<u>786,886</u>	<u>19,957</u>
Totals	<u>806,843</u>	<u>806,843</u>	<u>786,886</u>	<u>19,957</u>
OTHER INSTRUCTIONAL (Article 4)				
Summer school	-	-	3,964	(3,964)
Co-curricular	76,231	76,231	40,114	36,117
Extra curricular/athletics	490,519	490,519	489,562	957
Totals	<u>566,750</u>	<u>566,750</u>	<u>533,640</u>	<u>33,110</u>

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
STUDENT AND STAFF SUPPORT (Article 5)				
Guidance	\$ 513,826	\$ 513,826	\$ 493,170	\$ 20,656
Other student support services	28,867	28,867	5,977	22,890
Instructional staff training	1,113,308	1,113,308	1,041,647	71,661
Library	364,433	364,433	312,026	52,407
Health services	269,678	269,678	304,262	(34,584)
Staff support services	-	-	14,146	(14,146)
Improvement of instruction	258,085	158,085	147,648	10,437
Improvement of staff training	133,700	108,700	48,014	60,686
Student assessment	27,910	27,910	64,336	(36,426)
Totals	<u>2,709,807</u>	<u>2,584,807</u>	<u>2,431,226</u>	<u>153,581</u>
SYSTEM ADMINISTRATION (Article 6)				
School board	115,972	115,972	165,392	(49,420)
Office of the superintendent	274,588	274,588	202,427	72,161
Business office	316,698	316,698	266,719	49,979
Totals	<u>707,258</u>	<u>707,258</u>	<u>634,538</u>	<u>72,720</u>
SCHOOL ADMINISTRATION (Article 7)				
Principal's office	1,238,846	1,408,846	1,407,823	1,023
Totals	<u>1,238,846</u>	<u>1,408,846</u>	<u>1,407,823</u>	<u>1,023</u>
TRANSPORTATION (Article 8)	<u>1,324,982</u>	<u>1,324,982</u>	<u>1,205,992</u>	<u>118,990</u>
FACILITIES (Article 9)				
Operations and maintenance	1,034,317	1,034,317	1,032,061	2,256
Care of buildings	925,889	925,889	878,136	47,753
Capital renewal and renovation	785,636	685,636	232,911	452,725
District maintenance	550,598	550,598	483,667	66,931
Totals	<u>3,296,440</u>	<u>3,196,440</u>	<u>2,626,775</u>	<u>569,665</u>

SCHEDULE A (CONTINUED)

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
DEBT SERVICE (Article 10)				
Principal	359,199	359,199	358,395	804
Interest	32,583	32,583	31,049	1,534
Totals	<u>391,782</u>	<u>391,782</u>	<u>389,444</u>	<u>2,338</u>
TRANSFERS TO OTHER FUNDS (Article 11)				
Food service transfer	258,000	258,000	258,000	-
Capital projects transfers	250,000	250,000	250,000	-
Special revenue transfers	72,658	72,658	72,658	-
Totals	<u>580,658</u>	<u>580,658</u>	<u>580,658</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>\$ 26,282,658</u>	 <u>\$ 26,282,658</u>	 <u>\$ 25,146,543</u>	 <u>\$ 1,136,115</u>

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,341	\$ -	\$ 116,678	\$ 127,019
Investments	-	-	2,029,469	2,029,469
Accounts receivable	71,201	-	-	71,201
Due from other governments (net of allowance for uncollectibles)	628,108	-	-	628,108
Inventory	28,524	-	-	28,524
Due from other funds	384,613	250,000	-	634,613
TOTAL ASSETS	<u>\$ 1,122,787</u>	<u>\$ 250,000</u>	<u>\$ 2,146,147</u>	<u>\$ 3,518,934</u>
LIABILITIES				
Accounts payable	\$ 201,460	\$ 318,604	\$ -	\$ 520,064
Due to other funds	598,303	1,180,773	-	1,779,076
TOTAL LIABILITIES	<u>799,763</u>	<u>1,499,377</u>	<u>-</u>	<u>2,299,140</u>
DEFERRED INFLOWS OF RESOURCES				
Deferrred meals revenue	5,643	-	-	5,643
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,643</u>	<u>-</u>	<u>-</u>	<u>5,643</u>
FUND BALANCES (DEFICITS)				
Nonspendable	28,524	-	-	28,524
Restricted	155,364	250,000	2,146,147	2,551,511
Committed	169,052	-	-	169,052
Assigned	3,660	-	-	3,660
Unassigned	(39,219)	(1,499,377)	-	(1,538,596)
TOTAL FUND BALANCES (DEFICITS)	<u>317,381</u>	<u>(1,249,377)</u>	<u>2,146,147</u>	<u>1,214,151</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,122,787</u>	<u>\$ 250,000</u>	<u>\$ 2,146,147</u>	<u>\$ 3,518,934</u>

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 2,689,263	\$ -	\$ -	\$ 2,689,263
Charges for services	201,393	-	-	201,393
Investment income, net of unrealized gains/(losses)	-	-	140,071	140,071
Other	116,100	-	-	116,100
TOTAL REVENUES	<u>3,006,756</u>	<u>-</u>	<u>140,071</u>	<u>3,146,827</u>
EXPENDITURES				
Program expenses	3,236,793	33,582	83,391	3,353,766
Capital expenditures	-	1,361,583	-	1,361,583
TOTAL EXPENDITURES	<u>3,236,793</u>	<u>1,395,165</u>	<u>83,391</u>	<u>4,715,349</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(230,037)</u>	<u>(1,395,165)</u>	<u>56,680</u>	<u>(1,568,522)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	330,658	250,000	-	580,658
Transfers (out)	(73,905)	-	-	(73,905)
TOTAL OTHER FINANCING SOURCES (USES)	<u>256,753</u>	<u>250,000</u>	<u>-</u>	<u>506,753</u>
NET CHANGE IN FUND BALANCES	26,716	(1,145,165)	56,680	(1,061,769)
FUND BALANCES (DEFICITS), JULY 1, RESTATED	<u>290,665</u>	<u>(104,212)</u>	<u>2,089,467</u>	<u>2,275,920</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 317,381</u>	<u>\$ (1,249,377)</u>	<u>\$ 2,146,147</u>	<u>\$ 1,214,151</u>

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

Special Revenue Funds

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Adult Education	Laptop Damage	Restricted Grants Local	Fast Track	Active Schools Acceleration Project	Stephen & Tabitha King
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments (net of allowance for uncollectibles)	-	-	968	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	24,533	66,329	42,796	1,924	1,610	2,392
TOTAL ASSETS	<u>\$ 24,533</u>	<u>\$ 66,329</u>	<u>\$ 43,764</u>	<u>\$ 1,924</u>	<u>\$ 1,610</u>	<u>\$ 2,392</u>
LIABILITIES						
Accounts payable	\$ 732	\$ -	\$ 251	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>732</u>	<u>-</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred meals revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	23,801	-	43,513	-	-	-
Committed	-	66,329	-	1,924	-	2,392
Assigned	-	-	-	-	1,610	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>23,801</u>	<u>66,329</u>	<u>43,513</u>	<u>1,924</u>	<u>1,610</u>	<u>2,392</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 24,533</u>	<u>\$ 66,329</u>	<u>\$ 43,764</u>	<u>\$ 1,924</u>	<u>\$ 1,610</u>	<u>\$ 2,392</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	REF	Worthington Grant	Anonimo	College Transition	Transitions Grant Proficiency Based	PEPG Development
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	8,613	4,994	-	18,274	-	-
Due from other governments (net of allowance for uncollectibles)	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Due from other funds	-	3,273	3,221	-	39,414	654
TOTAL ASSETS	<u>\$ 8,613</u>	<u>\$ 8,267</u>	<u>\$ 3,221</u>	<u>\$ 18,274</u>	<u>\$ 39,414</u>	<u>\$ 654</u>
LIABILITIES						
Accounts payable	\$ 400	\$ -	\$ 1,279	\$ 1,470	\$ -	\$ -
Due to other funds	8,213	-	-	16,804	-	-
TOTAL LIABILITIES	<u>8,613</u>	<u>-</u>	<u>1,279</u>	<u>18,274</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred meals revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	8,267	1,942	-	39,414	654
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>8,267</u>	<u>1,942</u>	<u>-</u>	<u>39,414</u>	<u>654</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 8,613</u>	<u>\$ 8,267</u>	<u>\$ 3,221</u>	<u>\$ 18,274</u>	<u>\$ 39,414</u>	<u>\$ 654</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	SOHP Oral Health	Title IA Disadvantage	Pre-K Expansion Fund	MaineCare Fund	IDEA-B	IDEA-B Pre School
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments (net of allowance for uncollectibles)	-	196,968	152,614	-	167,395	8,000
Inventory	-	-	-	-	-	-
Due from other funds	-	-	-	25,008	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 196,968</u>	<u>\$ 152,614</u>	<u>\$ 25,008</u>	<u>\$ 167,395</u>	<u>\$ 8,000</u>
LIABILITIES						
Accounts payable	\$ -	\$ 79,024	\$ 160	\$ 78	\$ 43,567	\$ -
Due to other funds	-	117,944	152,454	-	123,828	8,000
TOTAL LIABILITIES	<u>-</u>	<u>196,968</u>	<u>152,614</u>	<u>78</u>	<u>167,395</u>	<u>8,000</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred meals revenue	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	24,930	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,930</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 196,968</u>	<u>\$ 152,614</u>	<u>\$ 25,008</u>	<u>\$ 167,395</u>	<u>\$ 8,000</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Title VI Rural Low Income	Title IIA	Food Service	AEFLA	Fuel Reserve
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	8,661	-	21,780	8,879	-
Due from other governments (net of allowance for uncollectibles)	-	-	102,163	-	-
Inventory	-	-	28,524	-	-
Due from other funds	-	-	-	-	93,282
TOTAL ASSETS	<u>\$ 8,661</u>	<u>\$ -</u>	<u>\$ 152,467</u>	<u>\$ 8,879</u>	<u>\$ 93,282</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 3,999	\$ -	\$ -
Due to other funds	8,661	-	153,520	8,879	-
TOTAL LIABILITIES	<u>8,661</u>	<u>-</u>	<u>157,519</u>	<u>8,879</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred meals revenue	-	-	5,643	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>5,643</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	28,524	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	93,282
Assigned	-	-	-	-	-
Unassigned	-	-	(39,219)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>(10,695)</u>	<u>-</u>	<u>93,282</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 8,661</u>	<u>\$ -</u>	<u>\$ 152,467</u>	<u>\$ 8,879</u>	<u>\$ 93,282</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Before School Supervision	Adult Ed Enrichment	MCASS Fund	Adult Ed Checking	Resignation Reserve	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 5,987	\$ -	\$ 4,354	\$ -	\$ 10,341
Accounts receivable	-	-	-	-	-	71,201
Due from other governments (net of allowance for uncollectibles)	-	-	-	-	-	628,108
Inventory	-	-	-	-	-	28,524
Due from other funds	5,125	1,069	2,050	1,433	70,500	384,613
TOTAL ASSETS	<u>\$ 5,125</u>	<u>\$ 7,056</u>	<u>\$ 2,050</u>	<u>\$ 5,787</u>	<u>\$ 70,500</u>	<u>\$ 1,122,787</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 70,500	\$ 201,460
Due to other funds	-	-	-	-	-	598,303
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,500</u>	<u>799,763</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred meals revenue	-	-	-	-	-	5,643
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,643</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	28,524
Restricted	-	7,056	-	5,787	-	155,364
Committed	5,125	-	-	-	-	169,052
Assigned	-	-	2,050	-	-	3,660
Unassigned	-	-	-	-	-	(39,219)
TOTAL FUND BALANCES (DEFICITS)	<u>5,125</u>	<u>7,056</u>	<u>2,050</u>	<u>5,787</u>	<u>-</u>	<u>317,381</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 5,125</u>	<u>\$ 7,056</u>	<u>\$ 2,050</u>	<u>\$ 5,787</u>	<u>\$ 70,500</u>	<u>\$ 1,122,787</u>

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Adult Education	Laptop Damage	Restricted Grants Local	Fast Track	Active Schools Acceleration Project	Stephen & Tabitha King
REVENUES						
Intergovernmental revenue	\$ 141,356	\$ -	\$ 69,007	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Other	-	4,430	-	5,222	-	-
TOTAL REVENUES	<u>141,356</u>	<u>4,430</u>	<u>69,007</u>	<u>5,222</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Program expenses	132,346	2,090	48,260	4,662	-	-
Capital expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>132,346</u>	<u>2,090</u>	<u>48,260</u>	<u>4,662</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>9,010</u>	<u>2,340</u>	<u>20,747</u>	<u>560</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	9,010	2,340	20,747	560	-	-
FUND BALANCES (DEFICITS), JULY 1	<u>14,791</u>	<u>63,989</u>	<u>22,766</u>	<u>1,364</u>	<u>1,610</u>	<u>2,392</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 23,801</u>	<u>\$ 66,329</u>	<u>\$ 43,513</u>	<u>\$ 1,924</u>	<u>\$ 1,610</u>	<u>\$ 2,392</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, 2017

	REF	Worthington Grant	Anonimo	College Transition	Transitions Grant Proficiency Based	PEPG Development
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 48,242	\$ 20,029	\$ -
Charges for services	-	-	-	-	-	-
Other	12,752	9,950	39,500	-	-	-
TOTAL REVENUES	<u>12,752</u>	<u>9,950</u>	<u>39,500</u>	<u>48,242</u>	<u>20,029</u>	<u>-</u>
EXPENDITURES						
Program expenses	13,147	3,683	37,558	48,242	-	-
Capital expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>13,147</u>	<u>3,683</u>	<u>37,558</u>	<u>48,242</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(395)</u>	<u>6,267</u>	<u>1,942</u>	<u>-</u>	<u>20,029</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(395)	6,267	1,942	-	20,029	-
FUND BALANCES (DEFICITS), JULY 1	<u>395</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>19,385</u>	<u>654</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ -</u>	<u>\$ 8,267</u>	<u>\$ 1,942</u>	<u>\$ -</u>	<u>\$ 39,414</u>	<u>\$ 654</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, 2017

	SOHP Oral Health	Title IA Disadvantage	Pre-K Expansion Fund	MaineCare Fund	IDEA-B	IDEA-B Pre School
REVENUES						
Intergovernmental revenue	\$ -	\$ 826,096	\$ 359,531	\$ 24,930	\$ 522,327	\$ 8,000
Charges for services	-	-	-	-	-	-
Other	388	-	-	-	-	-
TOTAL REVENUES	<u>388</u>	<u>826,096</u>	<u>359,531</u>	<u>24,930</u>	<u>522,327</u>	<u>8,000</u>
EXPENDITURES						
Program expenses	388	826,096	376,736	-	522,327	8,000
Capital expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>388</u>	<u>826,096</u>	<u>376,736</u>	<u>-</u>	<u>522,327</u>	<u>8,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(17,205)</u>	<u>24,930</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	(73,905)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,905)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(17,205)	(48,975)	-	-
FUND BALANCES (DEFICITS), JULY 1	<u>-</u>	<u>-</u>	<u>17,205</u>	<u>73,905</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,930</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Title VI Rural Low Income	Title IIA	Food Service	AEFLA	Fuel Reserve
REVENUES					
Intergovernmental revenue	\$ 39,207	\$ 104,111	\$ 491,493	\$ 34,934	\$ -
Charges for services	-	-	201,393	-	-
Other	-	-	-	-	-
TOTAL REVENUES	<u>39,207</u>	<u>104,111</u>	<u>692,886</u>	<u>34,934</u>	<u>-</u>
EXPENDITURES					
Program expenses	39,207	122,572	980,584	34,934	-
Capital expenditures	-	-	-	-	-
TOTAL EXPENDITURES	<u>39,207</u>	<u>122,572</u>	<u>980,584</u>	<u>34,934</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(18,461)</u>	<u>(287,698)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	258,000	-	72,658
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>258,000</u>	<u>-</u>	<u>72,658</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(18,461)	(29,698)	-	72,658
FUND BALANCES (DEFICITS), JULY 1	<u>-</u>	<u>18,461</u>	<u>19,003</u>	<u>-</u>	<u>20,624</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,695)</u>	<u>\$ -</u>	<u>\$ 93,282</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, 2017

	Before School Supervision	Adult Ed Enrichment	MCASS Fund	Adult Ed Checking	Resignation Reserve	Total
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,689,263
Charges for services	-	-	-	-	-	201,393
Other	7,401	11,819	9,180	15,458	-	116,100
TOTAL REVENUES	<u>7,401</u>	<u>11,819</u>	<u>9,180</u>	<u>15,458</u>	<u>-</u>	<u>3,006,756</u>
EXPENDITURES						
Program expenses	8,726	8,738	8,826	9,671	-	3,236,793
Capital expenditures	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>8,726</u>	<u>8,738</u>	<u>8,826</u>	<u>9,671</u>	<u>-</u>	<u>3,236,793</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,325)</u>	<u>3,081</u>	<u>354</u>	<u>5,787</u>	<u>-</u>	<u>(230,037)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	330,658
Transfers (out)	-	-	-	-	-	(73,905)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,753</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,325)	3,081	354	5,787	-	26,716
FUND BALANCES (DEFICITS), JULY 1	<u>6,450</u>	<u>3,975</u>	<u>1,696</u>	<u>-</u>	<u>-</u>	<u>290,665</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 5,125</u>	<u>\$ 7,056</u>	<u>\$ 2,050</u>	<u>\$ 5,787</u>	<u>\$ -</u>	<u>\$ 317,381</u>

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

Capital Projects Funds

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Capital Projects Fund	School of our Future	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	250,000	-	250,000
TOTAL ASSETS	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>
LIABILITIES			
Accounts payable	\$ -	\$ 318,604	\$ 318,604
Due to other funds	-	1,180,773	1,180,773
TOTAL LIABILITIES	<u>-</u>	<u>1,499,377</u>	<u>1,499,377</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	250,000	-	250,000
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(1,499,377)	(1,499,377)
TOTAL FUND BALANCES (DEFICITS)	<u>250,000</u>	<u>(1,499,377)</u>	<u>(1,249,377)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Capital Projects Fund	School of our Future	Total
REVENUES			
Interest income	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Program expenses	-	33,582	33,582
Capital expenditures	-	1,361,583	1,361,583
TOTAL EXPENDITURES	<u>-</u>	<u>1,395,165</u>	<u>1,395,165</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,395,165)</u>	<u>(1,395,165)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	-	250,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>250,000</u>	<u>-</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCES	250,000	(1,395,165)	(1,145,165)
FUND BALANCES (DEFICITS) - JULY 1	<u>-</u>	<u>(104,212)</u>	<u>(104,212)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 250,000</u>	<u>\$ (1,499,377)</u>	<u>\$ (1,249,377)</u>

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

Permanent Funds

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS

JUNE 30, 2017

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Hermia Toothaker Trust	Taylor/ Knight Foundation	Donations Henry & Norma Zeike	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
ASSETS								
Cash and cash equivalents	\$ 4,929	\$ 481	\$ 194	\$ 3,864	\$ -	\$ 1,168	\$ 583	\$ 30,697
Investments	11,907	7,661	3,094	61,572	48,777	18,611	9,291	553,516
Due from other funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 16,836</u>	<u>\$ 8,142</u>	<u>\$ 3,288</u>	<u>\$ 65,436</u>	<u>\$ 48,777</u>	<u>\$ 19,779</u>	<u>\$ 9,874</u>	<u>\$ 584,213</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	16,836	8,142	3,288	65,436	48,777	19,779	9,874	584,213
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>16,836</u>	<u>8,142</u>	<u>3,288</u>	<u>65,436</u>	<u>48,777</u>	<u>19,779</u>	<u>9,874</u>	<u>584,213</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,836</u>	<u>\$ 8,142</u>	<u>\$ 3,288</u>	<u>\$ 65,436</u>	<u>\$ 48,777</u>	<u>\$ 19,779</u>	<u>\$ 9,874</u>	<u>\$ 584,213</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2017

	Worthington Scholarship	Alumni Scholarship	Pricilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
ASSETS							
Cash and cash equivalents	\$ 64	\$ 721	\$ 5,653	\$ 748	\$ 939	\$ 1,337	\$ 1,228
Investments	1,014	11,487	90,063	45,937	14,962	21,311	19,559
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,078</u>	<u>\$ 12,208</u>	<u>\$ 95,716</u>	<u>\$ 46,685</u>	<u>\$ 15,901</u>	<u>\$ 22,648</u>	<u>\$ 20,787</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,078	12,208	95,716	46,685	15,901	22,648	20,787
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,078</u>	<u>12,208</u>	<u>95,716</u>	<u>46,685</u>	<u>15,901</u>	<u>22,648</u>	<u>20,787</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,078</u>	<u>\$ 12,208</u>	<u>\$ 95,716</u>	<u>\$ 46,685</u>	<u>\$ 15,901</u>	<u>\$ 22,648</u>	<u>\$ 20,787</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2017

	Frederick & Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
ASSETS							
Cash and cash equivalents	\$ 304	\$ 4,849	\$ 2,023	\$ 13,205	\$ 304	\$ 258	\$ 69
Investments	4,847	205,804	87,300	569,875	13,125	11,053	2,956
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 5,151</u>	<u>\$ 210,653</u>	<u>\$ 89,323</u>	<u>\$ 583,080</u>	<u>\$ 13,429</u>	<u>\$ 11,311</u>	<u>\$ 3,025</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	5,151	210,653	89,323	583,080	13,429	11,311	3,025
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>5,151</u>	<u>210,653</u>	<u>89,323</u>	<u>583,080</u>	<u>13,429</u>	<u>11,311</u>	<u>3,025</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,151</u>	<u>\$ 210,653</u>	<u>\$ 89,323</u>	<u>\$ 583,080</u>	<u>\$ 13,429</u>	<u>\$ 11,311</u>	<u>\$ 3,025</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2017

	<u>Brasier Scholarship</u>	<u>Magrogon Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
ASSETS							
Cash and cash equivalents	\$ 156	\$ 180	\$ 69	\$ 403	\$ 720	\$ 109	\$ 170
Investments	6,728	7,751	2,982	16,993	31,066	4,315	-
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 6,884</u>	<u>\$ 7,931</u>	<u>\$ 3,051</u>	<u>\$ 17,396</u>	<u>\$ 31,786</u>	<u>\$ 4,424</u>	<u>\$ 170</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,884	7,931	3,051	17,396	31,786	4,424	170
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>6,884</u>	<u>7,931</u>	<u>3,051</u>	<u>17,396</u>	<u>31,786</u>	<u>4,424</u>	<u>170</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,884</u>	<u>\$ 7,931</u>	<u>\$ 3,051</u>	<u>\$ 17,396</u>	<u>\$ 31,786</u>	<u>\$ 4,424</u>	<u>\$ 170</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2017

	Killeran Scholarship	Billy Hoch Scholarship	Mildred Merrill Trust	Dylan Meklin Memorial	Raymond Willis Dow Trust	William Holden Trust	Lindsey Memorial Scholarship
ASSETS							
Cash and cash equivalents	\$ 535	\$ -	\$ 760	\$ 11,295	\$ 869	\$ 82	\$ 905
Investments	23,099	6,874	12,104	-	13,844	1,306	9,000
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 23,634</u>	<u>\$ 6,874</u>	<u>\$ 12,864</u>	<u>\$ 11,295</u>	<u>\$ 14,713</u>	<u>\$ 1,388</u>	<u>\$ 9,905</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	23,634	6,874	12,864	11,295	14,713	1,388	9,905
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>23,634</u>	<u>6,874</u>	<u>12,864</u>	<u>11,295</u>	<u>14,713</u>	<u>1,388</u>	<u>9,905</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,634</u>	<u>\$ 6,874</u>	<u>\$ 12,864</u>	<u>\$ 11,295</u>	<u>\$ 14,713</u>	<u>\$ 1,388</u>	<u>\$ 9,905</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2017

	WM Stinson Jr. Memorial	Ciaravino School Fund	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Total
ASSETS					
Cash and cash equivalents	\$ 10,376	\$ -	\$ -	\$ 16,431	\$ 116,678
Investments	13,679	30,191	35,811	4	2,029,469
Due from other funds	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 24,055</u></u>	<u><u>\$ 30,191</u></u>	<u><u>\$ 35,811</u></u>	<u><u>\$ 16,435</u></u>	<u><u>\$ 2,146,147</u></u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	24,055	30,191	35,811	16,435	2,146,147
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u><u>24,055</u></u>	<u><u>30,191</u></u>	<u><u>35,811</u></u>	<u><u>16,435</u></u>	<u><u>2,146,147</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 24,055</u></u>	<u><u>\$ 30,191</u></u>	<u><u>\$ 35,811</u></u>	<u><u>\$ 16,435</u></u>	<u><u>\$ 2,146,147</u></u>

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

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Nicholas Stevens Trust	Vincent Ciaravino Trust	Richard Warren Trust	Hermia Toothaker Trust	Taylor/ Knight Foundation	Donations Henry & Norma Zeike	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
REVENUES								
Investment income, net of unrealized gains/(losses)	\$ 38	\$ 37	\$ 52	\$ 257	\$ 7,001	\$ 80	\$ 226	\$ 36,000
Other	-	-	326	-	1,520	-	540	-
TOTAL REVENUES	<u>38</u>	<u>37</u>	<u>378</u>	<u>257</u>	<u>8,521</u>	<u>80</u>	<u>766</u>	<u>36,000</u>
EXPENDITURES								
Program expenses	<u>1,000</u>	<u>62</u>	<u>62</u>	<u>1,506</u>	<u>3,233</u>	<u>152</u>	<u>763</u>	<u>24,215</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>62</u>	<u>62</u>	<u>1,506</u>	<u>3,233</u>	<u>152</u>	<u>763</u>	<u>24,215</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(962)</u>	<u>(25)</u>	<u>316</u>	<u>(1,249)</u>	<u>5,288</u>	<u>(72)</u>	<u>3</u>	<u>11,785</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(962)	(25)	316	(1,249)	5,288	(72)	3	11,785
FUND BALANCES - JULY 1, RESTATED	<u>17,798</u>	<u>8,167</u>	<u>2,972</u>	<u>66,685</u>	<u>43,489</u>	<u>19,851</u>	<u>9,871</u>	<u>572,428</u>
FUND BALANCES - JUNE 30	<u>\$ 16,836</u>	<u>\$ 8,142</u>	<u>\$ 3,288</u>	<u>\$ 65,436</u>	<u>\$ 48,777</u>	<u>\$ 19,779</u>	<u>\$ 9,874</u>	<u>\$ 584,213</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, 2017

	Worthington Scholarship	Alumni Scholarship	Pricilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 4	\$ 50	\$ 323	\$ 366	\$ 64	\$ 85	\$ 76
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>4</u>	<u>50</u>	<u>323</u>	<u>366</u>	<u>64</u>	<u>85</u>	<u>76</u>
EXPENDITURES							
Program expenses	<u>8</u>	<u>94</u>	<u>9,269</u>	<u>599</u>	<u>122</u>	<u>926</u>	<u>1,163</u>
TOTAL EXPENDITURES	<u>8</u>	<u>94</u>	<u>9,269</u>	<u>599</u>	<u>122</u>	<u>926</u>	<u>1,163</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(4)</u>	<u>(44)</u>	<u>(8,946)</u>	<u>(233)</u>	<u>(58)</u>	<u>(841)</u>	<u>(1,087)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4)	(44)	(8,946)	(233)	(58)	(841)	(1,087)
FUND BALANCES - JULY 1, RESTATED	<u>1,082</u>	<u>12,252</u>	<u>104,662</u>	<u>46,918</u>	<u>15,959</u>	<u>23,489</u>	<u>21,874</u>
FUND BALANCES - JUNE 30	<u>\$ 1,078</u>	<u>\$ 12,208</u>	<u>\$ 95,716</u>	<u>\$ 46,685</u>	<u>\$ 15,901</u>	<u>\$ 22,648</u>	<u>\$ 20,787</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, 2017

	Frederick & Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 21	\$ 4,564	\$ 9,825	\$ 64,050	\$ 1,478	\$ 1,243	\$ 330
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>21</u>	<u>4,564</u>	<u>9,825</u>	<u>64,050</u>	<u>1,478</u>	<u>1,243</u>	<u>330</u>
EXPENDITURES							
Program expenses	<u>40</u>	<u>12,216</u>	<u>3,187</u>	<u>16,966</u>	<u>604</u>	<u>588</u>	<u>27</u>
TOTAL EXPENDITURES	<u>40</u>	<u>12,216</u>	<u>3,187</u>	<u>16,966</u>	<u>604</u>	<u>588</u>	<u>27</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(19)</u>	<u>(7,652)</u>	<u>6,638</u>	<u>47,084</u>	<u>874</u>	<u>655</u>	<u>303</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(19)	(7,652)	6,638	47,084	874	655	303
FUND BALANCES - JULY 1, RESTATED	<u>5,170</u>	<u>218,305</u>	<u>82,685</u>	<u>535,996</u>	<u>12,555</u>	<u>10,656</u>	<u>2,722</u>
FUND BALANCES - JUNE 30	<u>\$ 5,151</u>	<u>\$ 210,653</u>	<u>\$ 89,323</u>	<u>\$ 583,080</u>	<u>\$ 13,429</u>	<u>\$ 11,311</u>	<u>\$ 3,025</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, 2017

	Brasier Scholarship	Magrogan Scholarship	Stone Scholarship	Griffith Scholarship	Carignan Scholarship	Daggett Trust	Crockett Trust
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 752	\$ 858	\$ 332	\$ 1,993	\$ 3,517	\$ 483	\$ 1
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>752</u>	<u>858</u>	<u>332</u>	<u>1,993</u>	<u>3,517</u>	<u>483</u>	<u>1</u>
EXPENDITURES							
Program expenses	60	60	27	1,160	783	39	1
TOTAL EXPENDITURES	<u>60</u>	<u>60</u>	<u>27</u>	<u>1,160</u>	<u>783</u>	<u>39</u>	<u>1</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>692</u>	<u>798</u>	<u>305</u>	<u>833</u>	<u>2,734</u>	<u>444</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	692	798	305	833	2,734	444	-
FUND BALANCES - JULY 1, RESTATED	<u>6,192</u>	<u>7,133</u>	<u>2,746</u>	<u>16,563</u>	<u>29,052</u>	<u>3,980</u>	<u>170</u>
FUND BALANCES - JUNE 30	<u>\$ 6,884</u>	<u>\$ 7,931</u>	<u>\$ 3,051</u>	<u>\$ 17,396</u>	<u>\$ 31,786</u>	<u>\$ 4,424</u>	<u>\$ 170</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, 2017

	<u>Killeran Scholarship</u>	<u>Billy Hoch Scholarship</u>	<u>Mildred Merrill Trust</u>	<u>Dylan Meklin Memorial</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 2,584	\$ 106	\$ 52	\$ 121	\$ 52	\$ 6	\$ 72
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>2,584</u>	<u>106</u>	<u>52</u>	<u>121</u>	<u>52</u>	<u>6</u>	<u>72</u>
EXPENDITURES							
Program expenses	<u>208</u>	<u>500</u>	<u>99</u>	<u>1,000</u>	<u>1,016</u>	<u>11</u>	<u>-</u>
TOTAL EXPENDITURES	<u>208</u>	<u>500</u>	<u>99</u>	<u>1,000</u>	<u>1,016</u>	<u>11</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>2,376</u>	<u>(394)</u>	<u>(47)</u>	<u>(879)</u>	<u>(964)</u>	<u>(5)</u>	<u>72</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,376	(394)	(47)	(879)	(964)	(5)	72
FUND BALANCES - JULY 1, RESTATED	<u>21,258</u>	<u>7,268</u>	<u>12,911</u>	<u>12,174</u>	<u>15,677</u>	<u>1,393</u>	<u>9,833</u>
FUND BALANCES - JUNE 30	<u>\$ 23,634</u>	<u>\$ 6,874</u>	<u>\$ 12,864</u>	<u>\$ 11,295</u>	<u>\$ 14,713</u>	<u>\$ 1,388</u>	<u>\$ 9,905</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, 2017

	WM Stinson Jr. Memorial	Ciaravino School Fund	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Total
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ 52	\$ 443	\$ 90	\$ 1	\$ 137,685
Other	-	-	-	-	2,386
TOTAL REVENUES	<u>52</u>	<u>443</u>	<u>90</u>	<u>1</u>	<u>140,071</u>
EXPENDITURES					
Program expenses	<u>1,000</u>	<u>-</u>	<u>500</u>	<u>125</u>	<u>83,391</u>
TOTAL EXPENDITURES	<u>1,000</u>	<u>-</u>	<u>500</u>	<u>125</u>	<u>83,391</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(948)</u>	<u>443</u>	<u>(410)</u>	<u>(124)</u>	<u>56,680</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(948)	443	(410)	(124)	56,680
FUND BALANCES - JULY 1, RESTATED	<u>25,003</u>	<u>29,748</u>	<u>36,221</u>	<u>16,559</u>	<u>2,089,467</u>
FUND BALANCES - JUNE 30	<u>\$ 24,055</u>	<u>\$ 30,191</u>	<u>\$ 35,811</u>	<u>\$ 16,435</u>	<u>\$ 2,146,147</u>

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

General Capital Assets

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2017

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
Regular education	\$ 1,583,264	\$ 12,235,025	\$ 10,854,194	\$ -	\$ 24,672,483
Maintenance and operations	56,798	10,964,500	1,343,569	-	12,364,867
Transportation	-	-	2,324,025	-	2,324,025
Administration	-	-	285,512	-	285,512
School lunch program	-	-	246,018	-	246,018
Total General Capital Assets	1,640,062	23,199,525	15,053,318	-	39,892,905
Less: Accumulated Depreciation	-	(10,745,823)	(5,077,252)	-	(15,823,075)
Net General Capital Assets	<u>\$ 1,640,062</u>	<u>\$ 12,453,702</u>	<u>\$ 9,976,066</u>	<u>\$ -</u>	<u>\$ 24,069,830</u>

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2017

	General Capital Assets 7/1/16	Additions	Deletions	General Capital Assets 6/30/17
Regular education	\$ 15,108,623	\$ 9,563,860	\$ -	\$ 24,672,483
Maintenance and operations	12,222,359	142,508	-	12,364,867
Transportation	2,123,503	200,522	-	2,324,025
Administration	285,512	-	-	285,512
School lunch program	219,827	26,191	-	246,018
Total General Capital Assets	29,959,824	9,933,081	-	39,892,905
Less: Accumulated Depreciation	(14,963,645)	(859,430)	-	(15,823,075)
Net General Capital Assets	<u>\$ 14,996,179</u>	<u>\$ 9,073,651</u>	<u>\$ -</u>	<u>\$ 24,069,830</u>

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

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture Passed-through State of Maine - Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	013-06A-3014-05	\$ -	\$ 104,139
School Lunch	10.555	013-06A-3022-05	-	338,094
Summer Food Service Program	10.559	013-06A-3016-05	-	36,123
Subtotal Child Nutrition Cluster			-	478,356
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	N/A	-	42,000
Subtotal Food Distribution Cluster			-	42,000
Fresh Fruits & Veggies	10.582	013-06A-3028-05	-	38,590
Total U.S. Department of Agriculture			-	558,946
U.S. Department of Education Passed-through State of Maine - Department of Education:				
Adult Education and Family Literacy Act	84.002	013-06A-6296-64	-	34,934
Title IA	84.010	013-06A-3107-13	-	826,096
Special Education Cluster (IDEA):				
Local Entitlement	84.027	013-06A-3046-12	-	522,327
Local Entitlement - Part B Section 619	84.173	013-06A-6247-13	-	8,000
Subtotal Special Education Cluster (IDEA)			-	530,327
Title VI - Rural Low Income	84.358	013-06A-3005-03	-	39,207
Title IIA	84.367	013-06A-3042-11	-	122,572
Preschool Expansion	84.419B	013-7145	-	376,736
Total U.S. Department of Education			-	1,929,872
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 2,488,818

REGIONAL SCHOOL UNIT NO. 13

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Regional School Unit No. 13 under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional School Unit No. 13, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Regional School Unit No. 13.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Regional School Unit No. 13 has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Food Donation Program

The Regional School Unit No. 13 reports commodities consumed on the Schedule at the fair value [or entitlement value]. The Government allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 13 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Regional School Unit No. 13's basic financial statements, and have issued our report thereon dated January 27, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
January 27, 2018



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Regional School Unit No. 13's compliance with the types of compliance requirements described in the *OMB Circular 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, 2017. Regional School Unit No. 13's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Regional School Unit No. 13's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Regional School Unit No. 13's compliance.

Opinion on Each Major Federal Program

In our opinion, Regional School Unit No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
January 27, 2018

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

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

• *Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? ☐yes ☒no

Identification of major programs:

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

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? ☒yes ☐no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None



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INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

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

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2017 and have issued our report thereon dated January 27, 2018. 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 Maine Department of Education for accuracy. In addition we have reviewed the Regional School Unit No. 13'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 Regional School Unit No. 13 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 Maine Department of Education.

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

RHR Smith & Company

Buxton, Maine
January 27, 2018

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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, 2017

	General Fund (1000)	Special Revenue Funds (2000)	Capital Projects Funds (4000)	Total
June 30 Balance per MEDMS Financial System	\$ 256,923	\$ 278,819	\$ (1,499,377)	\$ (963,635)
Revenue Adjustments:				
Other Adjustments:				
Funds incorrect on MEDMS:				
General Fund (1000)	-	-	-	-
(2019)	-	(5,125)	-	(5,125)
Restricted Grants Local (2020)	-	(75,462)	-	(75,462)
Fast Track (2030)	-	(682)	-	(682)
Stephen and Tabitha King (2070)	-	(1,705)	-	(1,705)
GREF (2080)	-	652	-	652
College Transition (2215)	-	-	-	-
Title IA Disadvantaged (2300)	-	-	-	-
Pre-K Expansion (2450)	-	-	-	-
MaineCare (2460)	-	-	-	-
Local Entitlement (2470)	-	-	-	-
Title VI Rural Low Income (2670)	-	(10,430)	-	(10,430)
Title IIA (2700)	-	-	-	-
Funds not reported on MEDMS:		-		
MCASS Fund	-	-	-	-
Schools of Our Future	-	-	-	-
OH/South Thomaston School	-	-	-	-
Restatement	-	-	-	-
Beginning balance variance	-	-	-	-
Audit adjustments	(161)	-	-	(161)
Rounding	-	-	-	-
Audited GAAP Basis Fund Balance June 30	<u>\$ 256,762</u>	<u>\$ 186,067</u>	<u>\$ (1,499,377)</u>	<u>\$ (1,056,548)</u>