

**REGIONAL SCHOOL UNIT NO. 5  
FINANCIAL REPORT**



JUNE 30, 2015

## TABLE OF CONTENTS

<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS.....</b>	<b>3</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement 1 Statement of Net Position .....	12
Statement 2 Statement of Activities.....	13
Statement 3 Balance Sheet - Governmental Funds .....	14
Statement 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	15
Statement 5 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	16
Statement 6 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	17
Statement 7 Statement of Fiduciary Net Position - Fiduciary Funds .....	18
Notes to the Basic Financial Statements.....	19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule 1 Budgetary Comparison Schedule - Budget and Actual – General Fund – Budgetary Basis .....	37
Schedule 2 Schedule of the District’s Proportionate Share of the Net Pension Liability .....	39
Schedule 3 Schedule of the District’s Employer Contributions .....	40
Notes to the Required Supplementary Information .....	41
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule 4 Combining Balance Sheet – Non-major Governmental Funds .....	44
Schedule 5 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds .....	46
Schedule 6 Combining Statement of Fiduciary Net Position – Fiduciary Funds .....	47
<i>Statement of Cash Receipts, Disbursements and Changes in Cash Balances:</i>	
Schedule 7 Freeport High School Student Activity Funds .....	48
Schedule 8 Freeport Middle School Student Activity Funds .....	50
Schedule 9 Durham Community School Student Activity Funds.....	51
Schedule 10 Pownal Elementary School Activity Funds .....	52
Schedule 11 Mast Landing School Activity Funds .....	53



## INDEPENDENT AUDITOR'S REPORT

School Board of Directors  
Regional School Unit No. 5  
Freeport, Maine

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. 5, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the RSU'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.

### Auditor's 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 from 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. 5, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 schedule and pension schedules on pages 3 - 10 and 37 - 42 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.

### *Emphasis of a Matter*

As further discussed in Note 12 to the financial statements, the July 1, 2014 net position in Statement 2 was overstated. Accordingly, an adjustment has been made to correct the beginning net position for the year ended June 30, 2015.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 5's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 February 3, 2016, on our consideration of Regional School Unit No. 5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Regional School Unit No. 5's internal control over financial reporting and compliance.



Certified Public Accountants  
February 3, 2016



# Durham • Freeport • Pownal

**Regional School Unit No. 5  
17 West St  
Freeport, ME 04032**

## **Management's Discussion and Analysis Required Supplementary Information**

**Year Ended June 30, 2015**

Our discussion and analysis of Regional School Unit No. 5's (the RSU) financial condition provides a narrative overview and analysis of the RSU's financial activities for the fiscal year ending June 30, 2015. It is the belief of management that all the information contained herein is accurate in all material respects and reflects fairly the financial position and operations of the RSU. This management's discussion and analysis is designed to offer further explanation of the information contained herein. We encourage readers to consider the information that we have furnished in the RSU's basic financial statements that follow this section.

The management discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion Analysis for State and Local Governments (currently GASB Codification Section 2200). Certain comparative information between the current year and the prior year is included in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Financial highlights for the past year include the following:

Assets of the RSU exceeding its liabilities by \$10,782,450.  
Capital assets of the RSU, net of depreciation, totaling \$27,717,514.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the RSU's basic financial statements. The RSU's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **GOVERNMENT-WIDE STATEMENTS**

Government-wide statements are designed to provide readers with a broad overview of the RSU's finances, in a manner similar to a private-sector company.

The *statement of net position* presents information on all of the RSU's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the RSU is improving or deteriorating.

The *statement of activities* presents information showing how the RSU's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, accrued salaries).

Additionally, to assess the RSU's overall health, one needs to consider additional non-financial factors such as the condition of school buildings and other facilities.

Both of the government-wide financial statements distinguish functions of the RSU that are principally supported by the local assessments from other functions that are intended to recover a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the RSU's activities are reported in one category:

Governmental activities: Most of the RSU's basic services are included here, such as regular and special education, transportation, and administration. Local assessments, local non-tax revenues, and state revenues finance most of these activities.

## **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 RSU uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The RSU's funds can be divided into two categories: government funds, and fiduciary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the RSU's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

*Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the RSU. Fiduciary funds are not reflected in the governmental-wide financial statement because the resources of those funds are not available to support the RSU's own programs.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

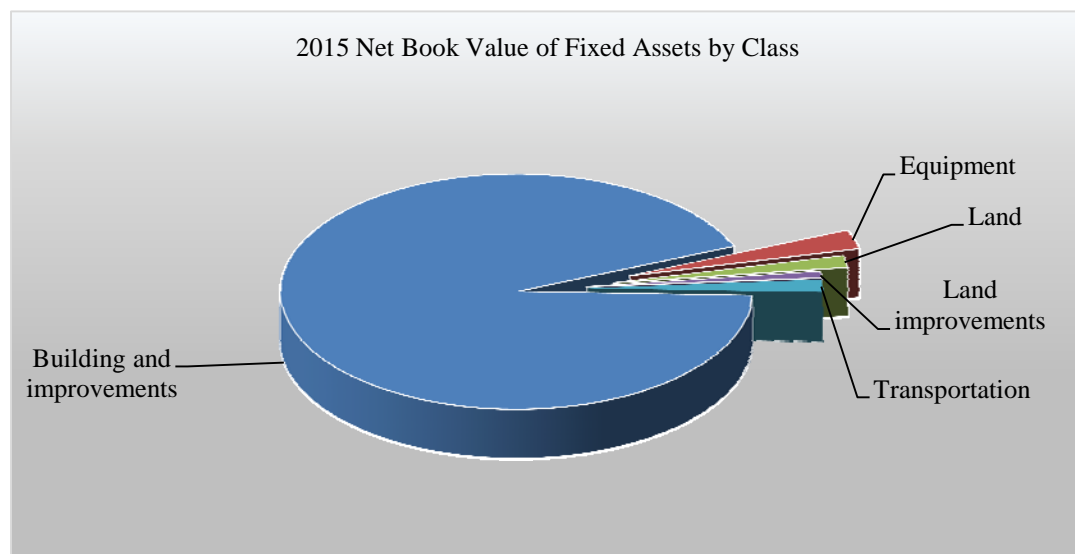
Net position may serve over time as a useful indicator of a government's financial position. As can be seen in the following table, RSU assets exceeded liabilities by \$10,782,450 for the fiscal year ended June 30, 2015.

Table 1  
Fiscal Year Ended June 30, 2015  
Statement of Net Position

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current and other assets	\$ 5,376,235	\$ 3,692,246
Capital assets	27,717,514	27,814,311
Total assets	<u>33,093,749</u>	<u>31,506,557</u>
Deferred Outflows of Resources	584,833	-
Current and other liabilities	22,753,954	17,539,531
Deferred Inflows of Resources	142,178	-
Net position		
Investment in capital assets	8,591,657	13,340,831
Restricted	451,351	169,083
Unrestricted	<u>1,739,442</u>	<u>457,112</u>
Total net position	<u>\$ 10,782,450</u>	<u>\$ 13,967,026</u>

Most of the RSU's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is a combination of restricted and unrestricted amounts. Restricted balances are amounts set aside by management to finance future purchases or capital projects planned by the RSU.

The chart below provides a graphic depiction of the distribution of the 2015 net book value of fixed assets (capital assets, net of depreciation) by asset class.



*Chart A – Net Book Value of Fixed Asset Classes*

Table 2 presents a summary of the RSU's changes in net position for the fiscal year ended June 30, 2015.

Table 2  
Fiscal Year ended June 30, 2015  
Changes in Net Position

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1,135,999	\$ 1,137,913
Operating grants and contributions	2,594,197	2,589,328
<i>General revenues:</i>		
Town assessments	21,481,345	20,160,995
Subsidies	5,526,111	4,692,600
Interest earned	2,784	1,138
Miscellaneous	113,226	229,939
<b>Total revenues</b>	<b>30,853,662</b>	<b>28,811,913</b>
<b>Expenses</b>		
Student and staff support	2,396,719	2,308,558
School administration	1,197,705	1,256,001
Facilities maintenance	2,972,863	3,535,494
Career and technical education	506,151	461,494
Crossing guards	921	897
Regular instruction	11,095,494	10,667,336
Other instruction	681,743	695,200
System administration	691,899	647,853
Transportation services	1,405,103	1,390,807
Debt service	619,546	864,210
Special education services	3,779,204	3,609,736
Capital Improvement and Fuel Expenses	242,578	-
Program expenditures	759,473	776,881
Adult and community education	881,019	846,259
On-behalf payments	1,600,798	1,648,055
<b>Total expenses</b>	<b>28,831,216</b>	<b>28,708,781</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 2,022,446</b>	<b>\$ 103,132</b>



Table 3 shows the total cost of each of the RSU's major functional activities.

Table 3  
Fiscal Year ended June 30, 2015  
Net Cost of Governmental Activities

<b>Function/Program:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction and support	\$ 18,459,311	\$ (17,729,937)
Transportation	1,405,103	(1,405,103)
Facilities maintenance	2,972,863	(2,972,863)
Administration	1,889,604	(1,889,604)
Capital/site improvements/debt service	862,124	(862,124)
Other	3,242,211	(241,389)
<b>Total governmental activities</b>	<b>\$ 28,831,216</b>	<b>\$ (25,101,020)</b>

**General Fund Revenues Budget to Actual Summary**

<b>Revenues:</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Town assessments	\$ 21,481,345	\$ 21,481,345	\$ -
Charges for services	80,900	67,818	(13,082)
Intergovernmental	5,612,290	5,574,601	(37,689)
Other	119,102	115,802	(3,300)
	<b>\$ 27,293,637</b>	<b>\$ 27,239,566</b>	<b>\$ (54,071)</b>

The following chart depicts program revenues by source.

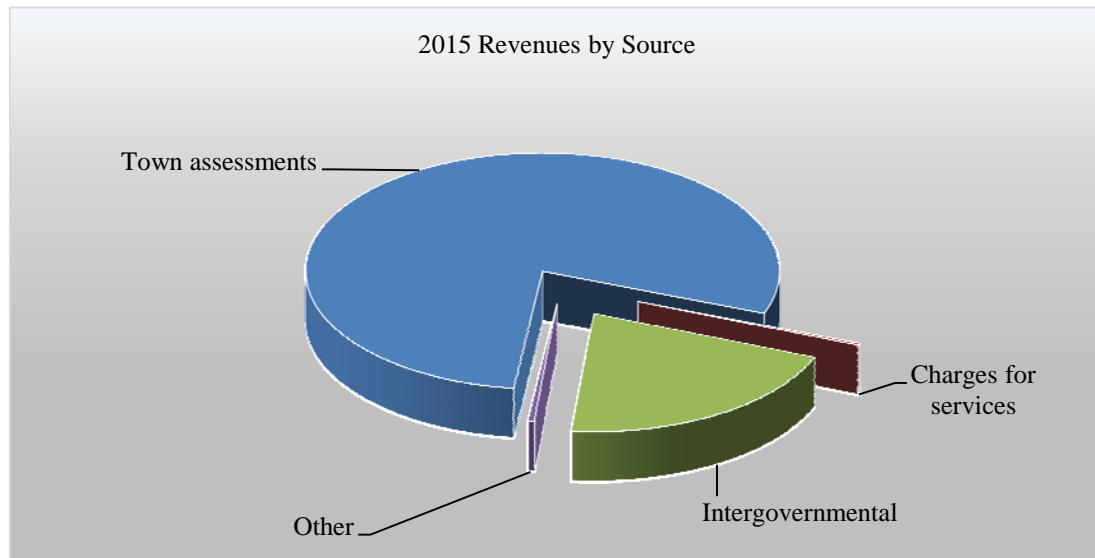


Chart B – Revenues by Source

## General Fund Expenditures Budget to Actual Summary

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
Student and staff support	\$ 2,582,740	\$ 2,429,207	\$ 153,533
School administration	1,299,946	1,222,542	77,404
Facilities maintenance	3,061,845	2,785,428	276,417
Crossing guard	1,400	921	479
Career and technical education	506,152	506,151	1
Regular instruction	11,425,868	11,019,052	406,816
Other instruction	705,882	693,480	12,402
System administration	750,897	691,899	58,998
Transportation services	1,498,157	1,449,642	48,515
Debt service	1,728,287	1,728,286	1
Special education services	3,566,073	3,404,705	161,368
Capital Improvement and Fuel Expenses	375,016	242,578	132,438
Adult education	207,390	198,237	9,153
	<u>\$ 27,709,653</u>	<u>\$ 26,372,128</u>	<u>\$ 1,337,525</u>

Chart C graphically depicts expenditures by function.

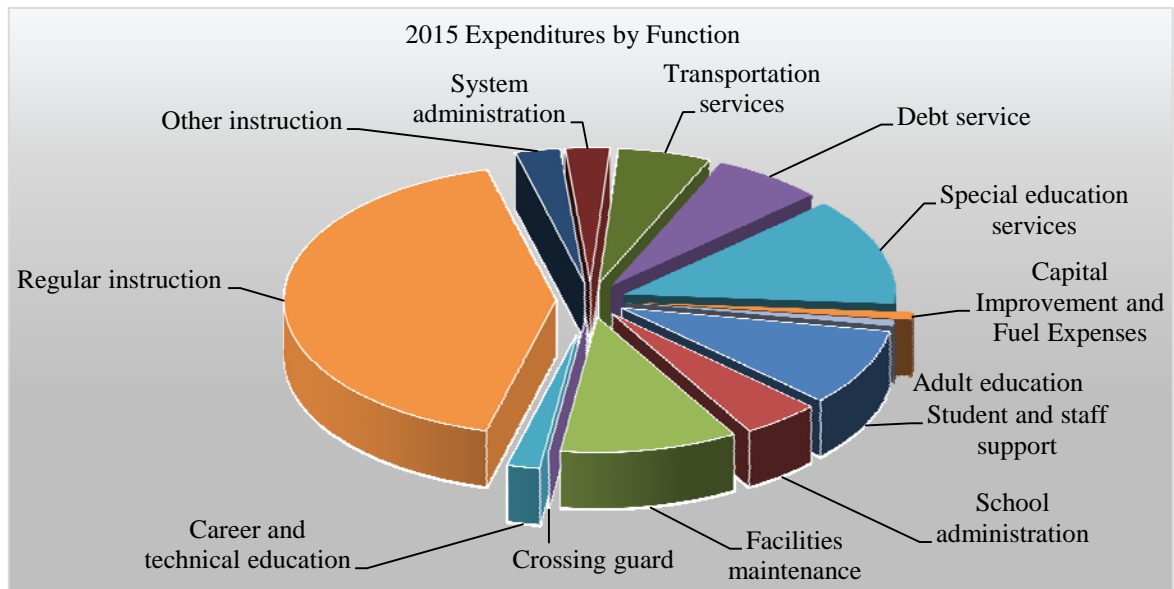


Chart C – Expenditures by Function

## FINANCIAL ANALYSIS OF THE RSU'S FUNDS

As of June 30, 2015, the RSU's governmental funds balance totaled \$2,586,560.

As noted earlier, the RSU uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the RSU as a whole is reflected in its governmental funds.

*Governmental funds:* The focus of the RSU's governmental funds is to provide information on near-term inflows, outflows, and balances available for spending. Governmental funds report the differences between their assets and liabilities as fund balances. Reserved amounts reflect that which is not available to be spent while undesignated amounts reflect amounts that are.

*Budgetary highlights:* The RSU holds an annual district budget meeting in May of each year for purposes of voting on the budget as recommended by the Board of Directors for the upcoming school year.

## CAPITAL ASSETS

At June 30, 2015, the RSU had \$27,717,514 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4  
Governmental Activities Capital Assets  
(Net of Depreciation)

	<u>2015</u>	<u>2014</u>
Land	\$ 447,285	\$ 447,285
Land improvements	249,505	111,911
Building and building improvements	25,814,358	26,021,207
Equipment and vehicles	<u>1,206,366</u>	<u>1,233,908</u>
	<u>\$ 27,717,514</u>	<u>\$ 27,814,311</u>

## DEBT ADMINISTRATION

At the end of the year RSU had a total of \$18,964,644 of general obligation long-term debt. In addition, the capital lease purchase obligations for the buses, vans, and technology equipment totaled \$28,088.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2015.

Table 5  
Fiscal Year Ended June 30, 2015  
General Long Term Debt and Lease Obligations

	<u>General Long-term Debt and Lease Obligations</u>	
	<u>2015</u>	<u>2014</u>
Debt payable at July 1	\$ 19,626,798	\$ 15,301,740
Debt additions	1,042,786	5,423,122
Debt retired	<u>(1,676,852)</u>	<u>(1,098,064)</u>
Debt payable at June 30	<u>\$ 18,992,732</u>	<u>\$ 19,626,798</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The total 2014-2015 RSU5 citizen approved operating budget was \$27,365,247. Anticipated State Aid to Education and local revenues accounted for \$5,883,903, with \$15,629,558 as the required local share, \$5,448,123 as the local additional required, and \$403,663 as the non-shared debt service. Local assessment for the approved 2014-2015 budget is broken down as follows: Durham \$4,224,077; Freeport \$15,076,758; Pownal \$2,180,509.

With the retirement of the Superintendent Shannon Welsh on June 30, 2014, the district operated with two interim Co-Superintendents for the 2014-2015 school year. In September 2015 after conducting an extensive search, the RSU5 Board of Directors hired Edward R. McDonough as Superintendent.

On November 5, 2013 the voters of RSU5 approved a school construction referendum in an amount not to exceed \$14,638,009 to construct and equip additions, renovations, and improvements to the Freeport High School building, grounds and facilities. The 2015-2016 budget includes an interest only payment on the bond in the amount of \$219,570. On October 15, 2015 the RSU secured a bond to fund this project and construction began in late November 2015.

Administration, staff, and the Board worked creatively to create a responsible operating budget for the 2015-2016 school year. Additions from the voters on the floor of the Annual Budget Meeting of \$150,000 pushed the increase to \$2,124,956 over the previous year budget. The 2015-2016 budget includes an interest only payment on the FHS Renovation and Addition Bond, increases in custodial staff, nursing, guidance, social work, professional development, Ed Techs and other support personnel spread throughout the district with the major focus being in the area of special education. The expense of local Charter Schools is now paid directly by the Department of Education; therefore, the expenses for Charter Schools were removed for the 2015-2016 school year.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the RSU's finances and demonstrate The District's accountability for the money it receives. If you have questions about any of the information provided in this report or wish to request additional financial information, please contact RSU No. 5 Business Office at 17 West Street, Freeport, ME 04032.

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash/investments	\$ 4,714,732
Cash held by third party	37,549
Accounts receivable	579,828
Inventories	33,808
Due from students	8,207
Due from fiduciary funds	2,111
Capital assets:	
Land	447,285
Construction in progress	558,252
Other capital assets, net of depreciation	<u>26,711,977</u>
Total capital assets	<u>27,717,514</u>
<b>TOTAL ASSETS</b>	<u><u>33,093,749</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	584,833
<b>LIABILITIES:</b>	
Accounts payable	374,048
Accrued expenses	285,565
Accrued salaries and benefits	2,130,062
Current portion of long-term debt	<u>1,484,587</u>
Total current liabilities	<u>4,274,262</u>
Long-term liabilities	
Compensated absences payable	696,528
Accrued interest	117,541
Long-term debt, (including bond premiums of \$15,584 less current portion)	17,523,729
Net pension liability	<u>141,894</u>
Total non-current liabilities	<u>18,479,692</u>
<b>TOTAL LIABILITIES</b>	<u><u>22,753,954</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	142,178
<b>NET POSITION:</b>	
Net investment in capital assets	8,591,657
Restricted	451,351
Unrestricted	<u>1,739,442</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 10,782,450</u></u>

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>FUNCTIONS</b>				
<b>Primary government</b>				
Governmental activities				
Student and staff support	\$ 2,396,719	\$ -	\$ -	\$ (2,396,719)
School administration	1,197,705	-	-	(1,197,705)
Facilities maintenance	2,972,863	-	-	(2,972,863)
Career and technical education	506,151	-	-	(506,151)
Crossing guards	921	-	-	(921)
Regular instruction	11,095,494	64,408	241,432	(10,789,654)
Other instruction	681,743	-	-	(681,743)
System administration	691,899	-	-	(691,899)
Transportation services	1,405,103	-	-	(1,405,103)
Debt service	619,546	-	-	(619,546)
Special education services	3,779,204	-	423,534	(3,355,670)
Adult education	198,237	67,818	48,490	(81,929)
Capital Improvements and Fuel Expenses	242,578	-	-	(242,578)
Community education	682,782	736,230	-	53,448
Program expenditures	759,473	267,543	279,943	(211,987)
MainePERS on-behalf payments	1,600,798	-	1,600,798	-
Total governmental activities	<u>28,831,216</u>	<u>1,135,999</u>	<u>2,594,197</u>	<u>(25,101,020)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 28,831,216</u>	<u>\$ 1,135,999</u>	<u>\$ 2,594,197</u>	

## General revenues and special items:

## Taxes:

Local assessments - K - 12	21,398,345
Local assessments - adult education	83,000
State allocation	5,526,111
Investment earnings	2,784
Miscellaneous	113,226
	<u>27,123,466</u>
Change in net position	2,022,446
<b>Net position - July 1, 2014, as restated</b>	<u>8,760,004</u>
<b>Net Position - June 30, 2015</b>	<u>\$ 10,782,450</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>General Fund</u>	<u>Community Education</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>				
Cash/investments	\$ 3,473,900	\$ 585,151	\$ 655,681	\$ 4,714,732
Cash held by third party	37,549	-	-	37,549
Accounts receivable	4,203	-	575,625	579,828
Due from other funds	1,045,915	-	-	1,045,915
Inventories	-	-	33,808	33,808
Due from students	-	-	8,207	8,207
<b>TOTAL ASSETS</b>	<u>\$ 4,561,567</u>	<u>\$ 585,151</u>	<u>\$ 1,273,321</u>	<u>\$ 6,420,039</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 268,120	\$ 2,521	\$ 103,407	\$ 374,048
Accrued expenses	285,565	-	-	285,565
Accrued salaries and benefits	2,077,260	12,156	40,646	2,130,062
Due to other funds	-	314,555	729,249	1,043,804
Total liabilities	<u>2,630,945</u>	<u>329,232</u>	<u>873,302</u>	<u>3,833,479</u>
Fund balances:				
Nonspendable	-	-	33,808	33,808
Restricted for:				
Special revenues	-	-	9,373	9,373
Capital projects funds	-	-	441,978	441,978
Committed for:				
Capital improvements and fuel oil expenditures	132,438	-	-	132,438
Assigned for:				
Use of fund balance	196,000	-	-	196,000
Adult education	14,437	-	-	14,437
Special revenues	-	255,919	126,660	382,579
Unassigned (deficit)	<u>1,587,747</u>	<u>-</u>	<u>(211,800)</u>	<u>1,375,947</u>
Total fund balances	<u>1,930,622</u>	<u>255,919</u>	<u>400,019</u>	<u>2,586,560</u>
<b>TOTAL LIABILITIES AND FUND BALANCES:</b>	<u>\$ 4,561,567</u>	<u>\$ 585,151</u>	<u>\$ 1,273,321</u>	<u>\$ 6,420,039</u>

The reconciliation of the ending fund balances of governmental funds to the net position in the statement of net position is presented on a separate schedule on the next page.



**REGIONAL SCHOOL UNIT NO. 5**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2015**

**Net change in fund balances - total governmental funds (from Statement 3)** **\$ 2,586,560**

Amounts reported for governmental activities in the Statement of Net Position (Statement 1) are different because (see Note 2, also):

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 27,717,514

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	\$ (18,964,644)	
Bond premiums	(15,584)	
Capital leases payable	(28,088)	
Compensated absences payable	(696,528)	
Accrued interest	<u>(117,541)</u>	(19,822,385)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability (141,894)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, not reported in the funds.

Deferred outflows of resources related to 2014 pensions of \$234,718 plus \$350,115 related to 2015 employer contributions	584,833	
Deferred inflows of resources related to pensions	<u>(142,178)</u>	<u>442,655</u>
Net position of governmental activities		<u><u>\$ 10,782,450</u></u>

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Community Education	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Local assessments	\$ 21,481,345	\$ -	\$ -	\$ 21,481,345
Intergovernmental	5,574,601	-	944,909	6,519,510
Charges for services	67,818	736,230	-	804,048
Interest earned	2,573	-	-	2,573
Intergovernmental on-behalf payments	1,600,798	-	-	1,600,798
Miscellaneous	113,229	-	332,159	445,388
Total revenues	<u>28,840,364</u>	<u>736,230</u>	<u>1,277,068</u>	<u>30,853,662</u>
<b>EXPENDITURES:</b>				
Student and staff support	2,429,207	-	-	2,429,207
School administration	1,222,542	-	-	1,222,542
Facilities maintenance	2,785,428	-	-	2,785,428
Career and technical education	506,151	-	-	506,151
Crossing guard	921	-	-	921
Regular instruction	11,061,838	-	300,491	11,362,329
Other instruction	693,480	-	-	693,480
System administration	691,899	-	-	691,899
Transportation services	1,449,642	-	-	1,449,642
Debt service	1,728,286	-	-	1,728,286
Special education services	3,404,705	-	423,534	3,828,239
Adult education	198,237	-	-	198,237
Capital Improvements and Fuel Expenses	242,578	-	-	242,578
Community education	-	682,783	-	682,783
Program expenditures	-	-	1,334,014	1,334,014
Maine state retirement on-behalf payments	1,600,798	-	-	1,600,798
Total expenditures	<u>28,015,712</u>	<u>682,783</u>	<u>2,058,039</u>	<u>30,756,534</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	824,652	53,447	(780,971)	97,128
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond and capital lease proceeds	42,786	-	1,000,000	1,042,786
Loan proceeds	-	-	-	-
Transfers in (out)	(118,027)	-	118,027	-
	<u>(75,241)</u>	<u>-</u>	<u>1,118,027</u>	<u>1,042,786</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	749,411	53,447	337,056	1,139,914
<b>FUND BALANCES - JULY 1, 2014</b>	<u>1,181,211</u>	<u>202,472</u>	<u>62,963</u>	<u>1,446,646</u>
<b>FUND BALANCES - JUNE 30, 2015</b>	<u>\$ 1,930,622</u>	<u>\$ 255,919</u>	<u>\$ 400,019</u>	<u>\$ 2,586,560</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net position in the statement of activities is presented on a separate schedule on the next page.

**REGIONAL SCHOOL UNIT NO. 5**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Net change in fund balances - total governmental funds** (from Statement 5) \$ 1,139,914

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note 1, also):

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital additions in the current period:

Capital additions	\$ 925,809	
Depreciation	<u>(1,022,606)</u>	(96,797)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds in the current period:

Loan proceeds	(1,000,000)	
Capital lease proceeds	(42,786)	
Capital lease repayments	206,096	
Long-term debt repayment	<u>1,470,756</u>	634,066

Certain expenses reported in the Statement of Activities, such as accrued compensated absences, do not use current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in accrued compensated absences	123,923	
Change in deferred bond premiums	1,113	
Change in accrued interest	(35,627)	
District pension contribution	350,115	
Cost of benefits earned net of employee contributions	<u>(94,261)</u>	<u>345,263</u>

**Change in net position of governmental activities** (see Statement 2) \$ 2,022,446

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u><b>Agency Funds</b></u>
<b>ASSETS:</b>	
Cash/investments	\$     284,776
<b>LIABILITIES:</b>	
Due to other funds	2,111
Due to other groups	<u>282,665</u>
	<u>284,776</u>
<b>NET POSITION:</b>	
Held in trust for other purposes	<u><u>\$           -</u></u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Reporting Entity**

Regional School Unit No. 5 (RSU #5) is a Quasi-Municipal Corporation having received its Certificate of Organization on July 1, 2009, pursuant to Title 20-A and Chapter 103 of the Maine Revised Statutes, as amended. The Regional School's territory includes the Towns of Freeport, Durham, and Pownal, Maine. It provides the educational needs for grades kindergarten through 12 for the residents of these communities. RSU #5 has an eleven member Board of Directors, of which six are residents of Freeport, three from Durham, and two from Pownal.

In evaluating RSU #5 as a reporting entity, management has addressed all potential component units for which RSU #5 may or may not be financially accountable and, as such, be includable within RSU #5's basic financial statements. In accordance with the Government Accounting Standards Board (GASB), RSU #5 (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on RSU #5. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based on the application of these criteria, RSU #5 has not identified any component units that should be included in the financial statements.

The GASB is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

The financial statements of RSU #5 have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the more significant policies.

**Basis of Presentation**

*Government-Wide Financial Statements*

The government-wide financial statements, comprised of the statement of net position and the statement of activities, report information on all the non-fiduciary activities of RSU #5. The statement of net position presents the financial condition of the governmental activities of RSU #5 at fiscal yearend. The statement of activities points out the extent to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of RSU #5.

*Fund Financial Statements*

Fund financial statements report detailed information about RSU #5. Since the focus is on major funds rather than reporting funds by type, each major fund is presented in a separate column. GASB sets forth minimum criteria (percentages of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting**

The accounting and reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flow takes place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized (recorded) in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current fiscal period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within 60 days after the end of the fiscal year. Revenue sources susceptible to accrual include intergovernmental revenues and investment earnings. Special grant program revenues are recognized in accordance with the terms of the grants, generally at the time program funds are expended. Expenditures are recognized when the corresponding liabilities are incurred, except for principal and interest on general long-term debt, which are recognized when due, and compensated absences, which are recognized when paid to the employees. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Fiduciary funds are reported using the economic resources measurement focus.

**Fund Accounting**

RSU#5 uses individual funds to maintain its financial records during the year in order to aid financial management and to demonstrate legal compliance. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The following funds are used by RSU #5:

*Governmental Funds:*

Governmental funds are identified as either general, special revenue, or capital projects, based upon the following guidelines.

The General Fund is the operating fund of RSU #5 and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The Community Education is a major special revenue fund. This fund is used to account for activity that is related to the Community Education fund.

Capital Projects Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fiduciary Funds (Not included in the government-wide statements):*

Trust and Agency Funds are used to account for assets held by RSU #5 in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Cash and Investments**

RSU #5'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. Deposits can only be made in financial institutions insured by the FDIC. RSU #5's policy authorizes investments in obligations of the U. S. Treasury and U. S. Agencies, repurchase agreements, certain certificates of deposit and certain money market funds. RSU #5 invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments are reported at fair value except for money market investments that have a remaining maturity at time of purchase of one year or less stated at amortized cost.

**Cash Held by Third Parties**

Cash held by third parties includes amounts held in trust for RSU #5 by the Maine School Management Association's (MSMA) Unemployment Compensation Trust Fund (UCTF).

**Inventories**

School lunch inventories are valued at the lower of cost (first-in, first-out basis) or market.

**Receivables**

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business. Governmental fund type receivables consist primarily of amounts due from the state or federal governments. These intergovernmental receivables are generally collected within 90 days of the end of the fiscal year and are considered collectible. As such, no allowance for doubtful accounts is recorded.

**Capital Assets**

Capital assets, which include property, plant and equipment, are defined by RSU #5 as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. These assets are reported in the governmental column in the government-wide financial statements. Such assets are reported at cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets, other than land, is provided on the straight-line basis over their estimated useful lives. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives:

Land Improvements.....	15 to 30 years
Buildings and Building Improvements.....	6 to 50 years
Furniture and Equipment.....	3 to 20 years
Vehicles.....	8 to 15 years

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Fixed assets are not capitalized and the related depreciation is not reported in the fund financial statements.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes 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. RSU #5 has deferred outflows of resources of \$584,833 related to a pension obligation as of June 30, 2015.

In addition to liabilities, the statement of financial position will sometimes 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. RSU #5 has deferred inflows of resources of \$142,178 related to a pension obligation as of June 30, 2015.

**Net Position and Fund Equity Classifications**

Net position is required to be classified in the government-wide statements into the following three components:

*Net Investment in Capital Assets* - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital assets	\$ 33,305,978
Accumulated depreciation	(5,588,464)
Bonds, notes, and leases payable	(18,992,732)
Accrued interest	(117,541)
Accrued bond premiums	<u>(15,584)</u>
Net investment in capital assets	<u><u>\$ 8,591,657</u></u>

*Restricted* - This component consists of constraints placed on the use of net position which are externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

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

**Fund Balance**

In the fund financial statements, governmental fund balance is presented in five possible categories that comprise a hierarchy based on the extent to which RSU#5 is bound to honor constraints on the specific purposes for which those funds can be spent. The categories are as follows:



**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Nonspendable* - includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. RSU #5 classifies inventory per Statement 3, for the school lunch program under this category.

*Restricted* - represents those portions of fund equity on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation.

*Committed* - describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

*Assigned* - reflects the amounts constrained by the RSU #5's "intent" to be used for specific purposes, but are neither restricted nor committed. The School Board has the authority to assign amounts to be used for specific purposes.

*Unassigned* - represents amounts that are available for any purpose.

RSU #5 has no formal revenue spending policy for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

**Interfund Transactions**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds on the combined balance sheet of the governmental funds and fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements.

Operating transfers are used to move unrestricted resources from various funds to finance programs that the District must account for in other funds in accordance with budgetary authorizations.

**Compensated Absences**

Pursuant to the terms of the contract agreements, employees can accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee retirement.

**Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the bank's failure, RSU #5 will not be able to recover the value of its deposits and investments that are in the possession of an outside party.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

**Deposits**

RSU #5 does not have a deposit policy for custodial credit risk. As of June 30, 2015, RSU #5 reported deposits of \$4,999,508 with a bank balance of \$5,332,530. Of RSU #5's bank balances, \$285,717 was covered by FDIC insurance and \$5,046,814 was exposed to custodial credit risk. \$3,227,303 of the balance exposed to custodial credit risk was collateralized by government securities held by the pledging bank, but not in RSU#5's name, and the remaining \$1,819,511 was uninsured and uncollateralized.

**Cash Held by Third Parties**

RSU #5 owns assets held by Maine School Management Association. These amounts are invested by the custodians in money market accounts or similar very low risk investment vehicles that invest in US government obligations. Management believes the custodial credit risk of these assets to be low. As of June 30, 2015, the carrying value of amounts held by the MSMA Unemployment Compensation Trust Fund was \$37,549. Carrying value approximates fair value. None of the underlying securities are in RSU #5's name.

**NOTE 3: INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Individual interfund receivables and payable balances at June 30, 2015 were as follows:

	<u><b>Interfund Receivables</b></u>	<u><b>Interfund Payables</b></u>
General fund	\$ 1,045,915	\$ -
Community education	-	314,555
Nonmajor special revenue	-	729,249
Agency funds	-	2,111
	<u>\$ 1,045,915</u>	<u>\$ 1,045,915</u>

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized account.

**Transfers**

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	<u><b>Transfers In</b></u>	<u><b>Transfers Out</b></u>
General fund	\$ 36,973	\$ 155,000
Nonmajor special revenue	155,000	36,973
	<u>\$ 191,973</u>	<u>\$ 191,973</u>

Operating transfers are used to move unrestricted resources from various funds to finance programs that the District must account for in other funds in accordance with budgetary authorizations.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4: CAPITAL ASSETS**

Capital asset activity during the fiscal year:

	<u>Balance 6/30/2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2015</u>
Capital assets not being depreciated				
Land	\$ 447,285	\$ -	\$ -	\$ 447,285
Construction in progress	<u>-</u>	<u>558,232</u>	<u>-</u>	<u>558,232</u>
Total capital assets not being depreciated	<u>447,285</u>	<u>558,232</u>	<u>-</u>	<u>1,005,517</u>
Capital assets being depreciated				
Land improvements	153,908	145,765	-	299,673
Buildings and improvements	29,724,557	52,548	-	29,777,105
Transportation	909,561	-	-	909,561
Equipment	<u>1,144,858</u>	<u>169,264</u>	<u>-</u>	<u>1,314,122</u>
Total capital assets	32,380,169	925,809	-	33,305,978
Less: Accumulated depreciation				
Land improvements	41,997	8,171	-	50,168
Buildings and improvements	3,703,350	817,629	-	4,520,979
Transportation	336,534	88,216	-	424,750
Equipment	<u>483,977</u>	<u>108,590</u>	<u>-</u>	<u>592,567</u>
Total accumulated depreciation	<u>4,565,858</u>	<u>1,022,606</u>	<u>-</u>	<u>5,588,464</u>
Total net capital assets	<u>\$27,814,311</u>	<u>\$ (96,797)</u>	<u>\$ -</u>	<u>\$ 27,717,514</u>

Depreciation was charged to functions as follows:

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 826,102
Transportation	89,712
School lunch	1,500
Instructions	<u>105,292</u>
Total depreciation	<u>\$ 1,022,606</u>

Included in the capital assets above are capital assets that were obtained with capital leases. They are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Instruction	<u>\$ 42,786</u>	<u>\$ 5,348</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5: CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of long-term liability activity of RSU #5 for the year ended June 30, 2015:

<b>Governmental Activities</b>	<b>(Restated) Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Bonds and notes payable					
General obligation bonds	\$19,435,400	\$ 1,000,000	\$ (1,470,756)	\$ 18,964,644	\$ 1,470,757
Capital leases payable	<u>191,398</u>	<u>42,786</u>	<u>(206,096)</u>	<u>28,088</u>	<u>13,830</u>
Total bonds and notes payable	19,626,798	1,042,786	(1,676,852)	18,992,732	1,484,587
Compensated absences	<u>820,451</u>	<u>-</u>	<u>(123,923)</u>	<u>696,528</u>	<u>-</u>
	<u>\$20,447,249</u>	<u>\$ 1,042,786</u>	<u>\$ (1,800,775)</u>	<u>\$ 19,689,260</u>	<u>\$ 1,484,587</u>

**NOTE 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS**

**Long-Term Debt Obligations**

General long-term debt payable consists of the following:

*Town of Freeport*

2008 General Obligation Bond-Freeport High School Heating; maturing on 7/15/2017; annual principal payments of \$55,000; interest rate of 2.92%; authorized and issued \$570,000. \$ 165,000

*Town of Freeport*

2011 General Obligation Refunding Bond - Middle School; maturing on 11/15/2022; annual principal payments of \$144,432 - \$147,955; variable interest rate between 4% and 5%; original authorized and issued \$3,285,000. 870,114

*Town of Freeport*

2011 General Obligation Refunding Bond - High School; maturing on 11/15/2022; annual principal payments of \$215,000 - \$220,000; variable interest rate between 4% and 5%; original authorized and issued \$4,491,000. 1,755,000

*Town of Freeport*

2011 General Obligation Refunding Bond - Admin Office; maturing on 11/15/2022; annual principal payments of \$11,250 - \$12,500; variable interest rate between 4% and 5%; original authorized and issued \$250,000. 85,000

*Maine Municipal Bond Bank*

2003 Durham Room; maturing on 11/1/2018; annual principal payments of \$40,000; variable interest rate between 2.08% and 4.23%; authorized and issued \$600,000. 160,000

*Maine Municipal Bond Bank*

2009 Durham New Building; maturing on 11/1/2029; annual principal payments of \$108,835; variable interest rate from 2.08% to 5.58%; authorized and issued \$2,176,696. 1,632,525

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

**Long-Term Debt Obligations (Continued)**

*Maine Municipal Bond Bank*

2009 Series C; maturing on 8/27/2029; annual principal payments of \$886,467; interest rate of 3.78%; authorized and issued \$17,729,348.

13,297,005

*TD Bank*

2015 General Obligation Bond Anticipation Note; maturing on November 30, 2015 and will be converted to a general obligation bond; annual principal payments estimated to be \$50,000; interest rate of 1.00%; authorized \$14,638,009 and issued \$1,000,000.

1,000,000

\$ 18,964,644

The annual requirement to amortize debt outstanding as of June 30, 2015 is as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 1,470,757	\$ 697,801	\$ 2,168,558
2017	1,517,234	657,452	2,174,686
2018	1,517,234	614,181	2,131,415
2019	1,462,234	566,600	2,028,834
2020	1,422,234	520,809	1,943,043
2021-2025	6,048,442	1,774,315	7,822,757
2026-2030	5,226,509	679,597	5,906,106
2031-2035	250,000	27,063	277,063
2036	50,000	812	50,812
	<u>\$ 18,964,644</u>	<u>\$ 5,538,630</u>	<u>\$ 24,503,274</u>

Interest expense was \$680,597 for the year.

The payments to the Town of Freeport represents the reimbursements for the Freeport School Department bonds payable that were outstanding as of July 1, 2009, when the Freeport School Department joined Regional School Unit No. 5.

The 2015 General Obligation Bond Anticipation Note matures on November 1, 2015 and will be paid off by the issuance of General Obligation Bonds for high school renovations and improvements, for a 20-year term at variable interest rates between 2.50% and 5.00%. Total amount financed will be \$13,638,000.

Under a provision of state law, the State of Maine reimburses RSU #5 for a portion of the financing costs of various approved school construction projects. RSU #5's State aid subsidy is dependent upon continued annual appropriation by the State legislature. State aid for annual principal and interest payments for various school debt obligations were received for the year ended June 30, 2015.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

**Capital Lease Obligations**

RSU #5 leases capital assets under agreements that are classified as capital leases. The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of June 30, 2015, are as follows:

	<b>Year Ending</b>	
	<b>June 30,</b>	<b>Amount</b>
	2016	\$ 14,698
	2017	14,698
Total minimum lease payments		29,396
Amount representing interest		(1,308)
Present value of net minimum lease payments		28,088
Current maturities of capital lease obligations		(13,830)
Long-term capital lease obligations		<u>\$ 14,258</u>

**NOTE 7: CONTINGENT LIABILITIES**

**Grant Funds**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although RSU #5 expects such amounts, if any, to be immaterial.

**Litigation**

RSU #5 is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, RSU #5 has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of RSU #5.

**NOTE 8: OTHER DISCLOSURES**

**Risk Management**

RSU #5 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 RSU #5 either carries commercial insurance, or participates in a public entity risk pool. Currently, RSU #5 participates in several public entity risk pools sponsored by the Maine School Management Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, RSU #5 is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015. There were no significant reductions in insurance coverage from that of the prior year. Settled claims have not exceeded insurance coverage for any of the past three fiscal years. The amount of unpaid claims was \$0 at June 30, 2015.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

*Plan Description*

The MainePERS State Employee and Teacher Plan (the Plan) is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2014 there were 229 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

The Participating Local District (PLD) Plan is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2014 there were 286 employers in the plan.

*Pension Benefits*

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. 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; separate legislation enacted the same reduced requirement for employees of PLDs). 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. For PLD members, normal retirement age is 60. 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 and by contract with other participating employers under applicable statutory provisions.

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%.

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. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

*Financial Reporting*

Both the SET Plan and the PLD Plan issues stand-alone financial reports which can be found at:

<http://www.maineopers.org/Publications/Publications.htm> #Annual Reports

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

*Member and Employer Contributions*

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

At June 30, 2014, the RSU reported a liability for its proportionate share of the net pension liability that reflected reduction for State pension support provided to the RSU. The amount recognized by the RSU 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 RSU were as follows:

RSU #5's proportionate share of the net	
pension liability	\$ 119,971
State's proportionate share of the net pension	
liability associated with RSU #5	<u>2,313,309</u>
Total	<u>\$ 2,433,280</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The RSU's proportion of the net pension liability was based on a projection of the RSU's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, for the SET plan, the RSU's proportion was 0.011105%, which was a decrease of 0.006317% from its proportion measured as of June 30, 2013. At June 30, 2014, for the PLD plan, the District's proportion was 0.014247%, which was an increase of 0.003873% from its proportion measured as of June 30, 2013.

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. There were no changes in assumptions for the PLD Consolidated Plan. For the State Employee and Teacher Plan, the change in the discount rate from 7.25% to 7.125% was the only change in assumption in the 2014 valuation

For the year ended June 30, 2015, the RSU recognized pension expense of \$94,261 and revenue of \$1,600,798 for support provided by the State related to the SET plan. At June 30, 2015, the RSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9: DEFINED BENEFIT PENSION PLAN (continued)**

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

	SET Plan		PLD Plan		Net of Both Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 600	\$ 2,753	\$ -	\$ 2,753	\$ 600
Change of assumptions	8,262	-	-	-	8,262	-
Net difference between projected and actual earnings on pension plan investments	-	51,340	-	23,284	-	74,624
Changes in proportion and differences between employer contributions and proportionate share of contributions	214,749	66,954	8,954	-	223,703	66,954
RSU #5's contributions subsequent to the measurement date	345,538	-	4,577	-	350,115	-
Total	<u>\$ 568,549</u>	<u>\$ 118,894</u>	<u>\$ 16,284</u>	<u>\$ 23,284</u>	<u>\$ 584,833</u>	<u>\$ 142,178</u>

\$354,692 reported as deferred outflows of resources related to pensions resulting from RSU #5's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan	PLD Plan	Total
Fiscal year 2016	\$ 64,894	\$ (1,918)	\$ 62,976
Fiscal year 2017	64,893	(1,918)	62,975
Fiscal year 2018	(12,835)	(1,920)	(14,755)
Fiscal year 2019	<u>(12,835)</u>	<u>(5,821)</u>	<u>(18,656)</u>
Total	<u>\$ 104,117</u>	<u>\$ (11,577)</u>	<u>\$ 92,540</u>

**Actuarial Methods and Assumptions**

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

*Actuarial Cost Method*

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9:      DEFINED BENEFIT PENSION PLAN (continued)**

*Actuarial Cost Method (continued)*

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 Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements.

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

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

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

*Salary Increases, Merit and Inflation* - State employees, 3.50% to 10.50% per year; Teachers, 3.50% to 13.5% per year; members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

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

*Cost of Living Benefit Increases* – 2.55% per annum for State employees and teachers, and 3.12% for participating local districts.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2014 are summarized in the following table:

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9:      DEFINED BENEFIT PENSION PLAN (continued)**

*Amortization (continued)*

	Target Allocation	Long-Term Expected Real Rate of Return
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 7.125% for 2014 and 7.25% for 2013 for the State Employee and Teacher Plan, and 7.25% for the PLD Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the RSU's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates*

The following table shows how the collective net pension liability/(asset) as of June 30, 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rates are 7.125% for the State Employee and Teacher Plans and 7.25% for the PLD Consolidated Plan.

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
SET Plan:			
RSU #5's proportionate share of the			
net pension liability	\$ 229,793	\$ 119,971	\$ 28,074
PLD Plan			
Net pension liability	<u>68,395</u>	<u>21,923</u>	<u>(16,921)</u>
Total	<u>\$ 298,188</u>	<u>\$ 141,894</u>	<u>\$ 11,153</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Note 9: DEFINED BENEFIT PENSION PLAN (continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report.

**NOTE 10: COMPONENTS OF FUND BALANCE**

As of June 30, 2015, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>
General Fund:					
Capital reserve	\$ -	\$ -	\$ 132,438	\$ -	\$ -
Use of fund balance	-	-	-	196,000	-
Adult education	-	-	-	14,437	-
Unassigned	-	-	-	-	1,587,746
School lunch program	33,808	-	-	-	(211,800)
Other governmental funds:					
Special revenues					
Getting to proficiency grant	-	9,373	-	-	-
Student aspirations	-	-	-	25,010	-
Donations	-	-	-	33,529	-
Laptop protection	-	-	-	26,406	-
SAMSHA	-	-	-	101	-
Mentoring	-	-	-	10,497	-
Dollars for scholars	-	-	-	1,879	-
Performing arts center	-	-	-	29,238	-
Community education	-	-	-	255,919	-
Capital Projects Fund					
High School Renovation Project	-	441,978	-	-	-
Total	<u>\$ 33,808</u>	<u>\$ 451,351</u>	<u>\$ 132,438</u>	<u>\$ 593,016</u>	<u>\$ 1,375,946</u>

**NOTE 11: DEFICIT FUND BALANCE**

RSU #5's Special Revenue School Lunch Program is carrying forward a fund deficit as of June 30, 2015. This deficit will be funded by future operations.

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

Net position as of July 1, 2014 has been restated as follows for implementation of the Government Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The RSU's beginning net position for Governmental Activities in Statement 2 has been restated from the previously issued 2014 financial statements to reflect long-term debt obligations related to the RSU's RPC agreement. As a result, the beginning net position for Governmental Activities in Statement 2 was decreased by \$5,251,928.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT (Continued)**

Net position at June 30, 2014, as previously reported	\$ 13,967,026
Prior period adjustment due to:	
RSU #5's net pension liability, measured at June 30, 2013	44,906
Long-term debt obligations related to the RSU's RPC agreement.	<u>(5,251,928)</u>
Net position at June 30, 2014, as restated	<u><u>\$ 8,760,004</u></u>

**NOTE 13: PURPOSE OF STUDENT ACTIVITY FUNDS**

The purpose of the Student Activity Funds is to maintain accountability of the various extracurricular activities for the students of Regional School Unit No. 5.

**NOTE 14: SUBSEQUENT EVENTS**

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through February 3, 2016, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**REGIONAL SCHOOL UNIT NO. 5**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Town assessments (includes adult education of \$83,000)	\$ 21,481,345	\$ 21,481,345	\$ 21,481,345	\$ -
Charges for services:				
Adult education	80,900	80,900	67,818	(13,082)
State shared revenues:				
General	5,518,400	5,518,400	5,518,401	1
Medicaid reimbursement	31,600	31,600	482	(31,118)
State agency client	18,800	18,800	7,228	(11,572)
Adult education grant	-	-	5,000	5,000
Adult education subsidy	43,490	43,490	43,490	-
	<u>5,612,290</u>	<u>5,612,290</u>	<u>5,574,601</u>	<u>(37,689)</u>
Other:				
Interest earnings	4,900	4,900	2,573	(2,327)
Miscellaneous	114,202	114,202	113,229	(973)
	<u>119,102</u>	<u>119,102</u>	<u>115,802</u>	<u>(3,300)</u>
<b>TOTAL REVENUES</b>	<u>27,293,637</u>	<u>27,293,637</u>	<u>27,239,566</u>	<u>(54,071)</u>
<b>EXPENDITURES-BY FUNCTIONS:</b>				
Student and staff support	2,603,993	2,582,740	2,429,207	153,533
School administration	1,300,246	1,299,946	1,222,542	77,404
Facilities maintenance	3,040,846	3,061,845	2,785,428	276,417
Career and technical education	506,152	506,152	506,151	1
Crossing guard	1,400	1,400	921	479
Regular instruction	11,486,631	11,425,868	11,019,052	406,816
Other instruction	652,027	705,882	693,480	12,402
System administration	751,497	750,897	691,899	58,998
Transportation services	1,430,555	1,498,157	1,449,642	48,515
Debt service	1,728,287	1,728,287	1,728,286	1
Special education services	3,625,613	3,566,073	3,404,705	161,368
Other outlays:				
Capital Improvements and Fuel Expenses	375,016	375,016	242,578	132,438
Adult education	207,390	207,390	198,237	9,153
<b>TOTAL EXPENDITURES-BY FUNCTIONS</b>	<u>27,709,653</u>	<u>27,709,653</u>	<u>26,372,128</u>	<u>1,337,525</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(416,016)</u>	<u>(416,016)</u>	<u>867,438</u>	<u>1,283,454</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (416,016)	\$ (416,016)	\$ 867,438	\$ 1,283,454
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out to school lunch program	(155,000)	(155,000)	(155,000)	-
Transfer in from special revenue fund	<u>-</u>	<u>-</u>	<u>36,973</u>	<u>36,973</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(155,000)</u>	<u>(155,000)</u>	<u>(118,027)</u>	<u>36,973</u>
<b>BUDGETARY SURPLUS (DEFICIT)</b>	<u>\$ (571,016)</u>	<u>\$ (571,016)</u>	<u>\$ 749,411</u>	<u>\$ 1,320,427</u>
 <b>COMPONENTS OF THE SCHOOL'S BUDGETARY SURPLUS (DEFICIT)</b>				
Restricted				
Adult Education	\$ -	\$ -	\$ (1,423)	\$ (1,423)
Committed				
Capital Improvement Reserve	(300,003)	(300,003)	(167,565)	132,438
Fuel Stabilization Reserve	(75,013)	(75,013)	(75,013)	-
Assigned				
Use of Fund Balance	(196,000)	(196,000)	-	196,000
Adult Education	-	-	2,494	2,494
Unassigned	<u>-</u>	<u>-</u>	<u>990,918</u>	<u>990,918</u>
	<u>\$ (571,016)</u>	<u>\$ (571,016)</u>	<u>\$ 749,411</u>	<u>\$ 1,320,427</u>



**REGIONAL SCHOOL UNIT NO. 5**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MAINEPERS STATE EMPLOYEE AND TEACHER PLAN**  
**EMPLOYER ID: TS005**

For the Fiscal Year Ended	RSU #5's proportion of the net pension liability	RSU #5's proportionate share of the net pension liability	State's proportionate share of the net pension liability associated with RSU #5	Total	RSU #5's covered- employee payroll	RSU #5's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.011105%	\$ 119,971	\$ 2,313,309	\$ 2,433,280	\$ 12,360,183	0.97%	83.91%
2013	0.017422%	276,984	5,204,320	5,481,304	11,528,980	2.40%	76.85%

*Note: This schedule is intended to show information for ten years. However, until a full 10-year trend is compiled, RSU #5 will present information for those years for which information is available.*

*See Notes to Required Supplementary Information.*

**REGIONAL SCHOOL UNIT NO. 5**  
**SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS**  
**MAINEPERS STATE EMPLOYEE AND TEACHER PLAN**  
**EMPLOYER ID: TS005**

For the Fiscal Year Ended	Contractually required contributions		RSU #5's contributions in relation to the contractually required contributions		RSU #5's contribution deficiency (excess)	RSU #5's covered- employee payroll	RSU #5's contributions as a percentage of its covered-employee payroll
<b>SET Plan:</b>							
2014	\$	341,412	\$	341,412	\$ -	\$ 12,360,183	2.76%
2013		12,187		12,187	-	11,528,980	0.11%
<b>PLD Plan:</b>							
2014		4,655		4,655	-	71,615	6.50%
2013		3,059		3,059	-	57,711	5.30%
<b>Total</b>							
2014		346,067		346,067	-	12,431,798	9.26%
2013		15,246		15,246	-	11,586,691	5.41%

*Note: This schedule is intended to show information for ten years. However, until a full 10-year trend is compiled, RSU #5 will present information for those years for which information is available.*

*See Notes to Required Supplementary Information.*

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgetary Accounting**

Budgets are adopted for the general fund only. Formal budgetary integration is employed as a management control device during the year for the general fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. A comparison of budget to actual is presented in these financial statements.

**NOTE 2: RECONCILIATION OF BUDGETARY VS. FUND FINANCIAL STATEMENTS**

As required by generally accepted accounting principles (GAAP), RSU #5 has reported a revenue and expenditure for Maine State Retirement contributions in the amount of \$1,600,798 made by the State of Maine on behalf of RSU #5. Since the amount has not been budgeted, there is a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America. The amount has been included as an intergovernmental revenue and expenditure in the General Fund on Statement 5. There is no effect on the fund balance at the end of the year.

Capital lease proceeds and expenditures have been reported on the GAAP statements but not on the budgetary basis statements. There is no effect on the fund balance at the end of the year.

Explanation of the Differences between General Fund Budgetary Comparison Schedule Revenues and Expenditures (Schedule 1) and General Fund GAAP Revenues and Expenditures (Statement 5) are as follows:

**Revenues**

Total Revenues as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 27,239,566
Differences-budget to GAAP	
On behalf payments for Maine State Retirement Contributions	
made by the State of Maine	<u>1,600,798</u>
Total Revenues as reported on Statement of Revenues, Expenditures	
and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 28,840,364</u>

**Expenditures**

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 26,372,128
Differences-budget to GAAP	
Capital Lease Outlay	42,786
On behalf payments for Maine State Retirement Contributions	
made by the State of Maine	<u>1,600,798</u>
Total Expenditures as reported on Statement of Revenues, Expenditures,	
and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 28,015,712</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 2: RECONCILIATION OF BUDGETARY VS. FUND FINANCIAL STATEMENTS**

**Other Financing Sources (Uses)**

Total Other Financing Sources (Uses) as reported on Budgetary Comparison	
Schedule Budget and Actual- Budgetary Basis (Schedule 1)	\$ (118,027)
Differences-budget to GAAP	
Capital Lease Proceeds	<u>42,786</u>
Total Other Financing Sources (Uses) as reported on Statement of	
Revenues, Expenditures, and Changes in Fund Balances-Governmental	
Funds (Statement 5)	<u>\$ (75,241)</u>

**NOTE 3 - CHANGE IN ASSUMPTIONS RELATED TO PENSIONS**

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

## **OTHER SUPPLEMENTARY INFORMATION**

The following schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements of Regional School Unit No. 5. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>ASSETS</b>				
	Cash/ Investments	Accounts Receivable	Inventories	Due from Students	Total Assets
<b>Special Revenue Funds</b>					
Title 1A disadvantaged	\$ -	\$ 124,129	-	\$ -	\$ 124,129
IDEA local entitlement grant	-	377,072	-	-	377,072
IDEA preschool grant	-	9,855	-	-	9,855
Getting to proficiency	9,373	-	-	-	9,373
Improving teacher quality	-	46,105	-	-	46,105
Student aspirations	25,010	-	-	-	25,010
Donations	34,352	-	-	-	34,352
Laptop protection	26,712	-	-	-	26,712
SAMSHA	101	-	-	-	101
Mentoring	10,497	-	-	-	10,497
Dollars for scholars	1,879	-	-	-	1,879
Performing arts center	29,650	-	-	-	29,650
School nutrition program	318	18,464	33,808	8,207	60,797
Unemployment compensation	-	-	-	-	-
Total Special Revenues	<u>137,892</u>	<u>575,625</u>	<u>33,808</u>	<u>8,207</u>	<u>755,532</u>
<b>Capital Project Fund</b>					
Freeport High School Renovation Project	<u>517,789</u>	-	-	-	<u>517,789</u>
<b>Total:</b>	<u>\$ 655,681</u>	<u>\$ 575,625</u>	<u>\$ 33,808</u>	<u>\$ 8,207</u>	<u>\$ 1,273,321</u>

	LIABILITIES AND FUND BALANCE				
	Accounts Payable	Accrued Salaries	Due to Other Funds	Fund Balance	Total Liabilities
<b>Special Revenue Funds</b>					
Title 1A disadvantaged	\$ -	\$ 17,523	\$ 106,606	\$ -	\$ 124,129
IDEA local entitlement grant	25,874	-	351,198	-	377,072
IDEA preschool grant	-	-	9,855	-	9,855
Getting to proficiency	-	-	-	9,373	9,373
Improving teacher quality	-	-	46,105	-	46,105
Student aspirations	-	-	-	25,010	25,010
Donations	823	-	-	33,529	34,352
Laptop protection	306	-	-	26,406	26,712
SAMSHA	-	-	-	101	101
Mentoring	-	-	-	10,497	10,497
Dollars for scholars	-	-	-	1,879	1,879
Performing arts center	-	412	-	29,238	29,650
School nutrition program	593	22,711	215,485	(177,992)	60,797
Unemployment compensation	-	-	-	-	-
Total Special Revenues	<u>27,596</u>	<u>40,646</u>	<u>729,249</u>	<u>(41,959)</u>	<u>755,532</u>
<b>Capital Project Fund</b>					
Freeport High School Renovation Project	<u>75,811</u>	<u>-</u>	<u>-</u>	<u>441,978</u>	<u>517,789</u>
<b>Total:</b>	<u>\$ 103,407</u>	<u>\$ 40,646</u>	<u>\$ 729,249</u>	<u>\$ 400,019</u>	<u>\$ 1,273,321</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Fund Balances Beginning of Year</b>	<b>Program Revenues</b>	<b>Other Financing Sources</b>	<b>Transfers In (Out)</b>	<b>Program Expenditures</b>	<b>Fund Balances End of Year</b>
		<b>Intergovern- mental</b>	<b>Other</b>	<b>Bond Proceeds</b>		
<b>Special Revenue Funds</b>						
Title 1A disadvantaged	\$ -	151,988	\$ -	-	151,988	\$ -
IDEA local entitlement grant	-	423,534	-	-	423,534	-
IDEA preschool grant	-	-	-	-	-	-
Getting to proficiency	5,499	21,089	-	-	17,215	9,373
Improving teacher quality	-	68,355	-	-	68,355	-
Student aspirations	25,788	-	16,930	-	17,708	25,010
Donations	39,257	-	5,200	-	10,928	33,529
Laptop protection	21,414	-	32,192	-	27,200	26,406
SAMSHA	101	-	-	-	-	101
Mentoring	10,497	-	-	-	-	10,497
Dollars for scholars	1,879	-	-	-	-	1,879
Performing arts center	26,252	-	10,083	-	7,097	29,238
School Nutrition Program	(104,697)	279,943	267,543	-	775,781	(177,992)
Unemployment compensation	36,973	-	-	-	-	-
Total Special Revenues	62,963	944,909	331,948	-	1,499,806	(41,959)
<b>Capital Project Fund</b>						
Freeport High School	-	-	211	1,000,000	558,233	441,978
Renovation Project	-	-	-	-	-	-
<b>Total:</b>	\$ 62,963	\$ 944,909	\$ 332,159	\$ 1,000,000	\$ 2,058,039	\$ 400,019



**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

**Agency Funds**

		Student Activity Funds					
		Durham		Pownal			
Community Education Football		Freeport High School (Schedule 7)	Freeport Middle School (Schedule 8)	Elementary School (Schedule 9)	Elementary School (Schedule 10)	Mast Landing School (Schedule 11)	Total
ASSETS:							
Cash/investment	\$	5,035	\$ 166,605	\$ 50,078	\$ 35,082	\$ 9,048	\$ 18,928
							\$ 284,776
LIABILITIES:							
Due to other funds		2,111	-	-	-	-	2,111
Due to other groups		<u>2,924</u>	<u>166,605</u>	<u>50,078</u>	<u>35,082</u>	<u>9,048</u>	<u>18,928</u>
		5,035	166,605	50,078	35,082	9,048	18,928
							282,665
							<u>284,776</u>
TOTAL NET POSITION	\$	-	-	-	-	-	\$ -

**REGIONAL SCHOOL UNIT NO. 5**  
**FREEPORT HIGH SCHOOL STUDENT ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
5210 Grant	\$ -	\$ 800	\$ -	\$ 800
Art club	37	595	482	150
Amnest international	161	-	-	161
Art supplies	90	-	90	-
Athletics	60,603	98,688	108,966	50,325
Band	5,319	282	492	5,109
Bradley fellowship	3,769	-	1,936	1,833
Ceramics	-	120	12	108
Chorus	1,011	422	374	1,059
Class 2008	-	1,318	303	1,015
Class 2011	-	1,970	-	1,970
Class 2012	-	1,811	-	1,811
Class 2013	-	791	-	791
Class 2014	1,407	8,401	736	9,072
Class 2015	10,201	38,760	27,629	21,332
Class 2016	4,902	13,145	10,821	7,226
Class 2017	2,205	3,405	1,502	4,108
Class 2018	-	3,041	1,587	1,454
Drama/ musical	2,910	9,964	9,026	3,848
Engineering class	503	300	727	76
English	126	38	30	134
Earth Club	-	40	40	-
Environment club	40	-	40	-
Equipment	1,086	-	1,086	-
Fishing club	2,109	-	-	2,109
Food charity	160	-	160	-
Foreign language	332	-	300	32
Gay/straight all	1,063	220	463	820
General fund	872	-	-	872
Health team	252	-	-	252
Homecoming	3,148	733	196	3,685
JMG	2,595	6,034	5,904	2,725
Latin Club	-	1,158	1,152	6
Laptop	132	-	-	132
Library	669	116	84	701
Math department	376	-	280	96
Math team	16	300	-	316
Media workshop	259	-	-	259
Melmac scholarship	3,000	1,500	1,500	3,000
Model UN	3,792	7,693	9,531	1,954
Sub-total	\$ 113,145	\$ 201,645	\$ 185,449	\$ 129,341

**REGIONAL SCHOOL UNIT NO. 5**  
**FREEPORT HIGH SCHOOL STUDENT ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
National honor society	\$ 56	\$ -	\$ -	\$ 56
NYC trip	1,973	17,750	13,975	5,748
One act plays	-	4,128	1,818	2,310
PG	3,288	-	3,288	-
PG 6 2012	3,812	-	4,602	(790)
PG 2014	12,624	740	16,291	(2,927)
PG 2015	3,335	-	3,485	(150)
PG 2016	3,425	150	-	3,575
Photography	474	1,400	266	1,608
Principal's contingency	12,509	17,530	21,093	8,946
Project graduation - 2013	311	-	-	311
PTSO	1,237	1,631	2,611	257
Quebec trip	1,003	400	924	479
Recycling service project	490	-	-	490
Scholarships	3,917	3,553	4,015	3,455
Science	311	15	-	326
Science olympiad	573	100	268	405
Social studies	137	5	-	142
Staff wellness initiative	980	160	-	1,140
Student council	397	-	51	346
Student services	1,275	15,169	14,390	2,054
Student tech team	138	-	138	-
Summer school	3,987	2,638	150	6,475
Sunshine fund	244	2,205	1,817	632
Thomas Boat grant	31	-	-	31
Thomas Max scholarship	150	-	-	150
Videography	156	15	-	171
World affairs massey	575	-	-	575
Yearbook	3,167	17,725	19,443	1,449
Sub-total	<u>60,575</u>	<u>85,314</u>	<u>108,625</u>	<u>37,264</u>
Grand Total	<u>\$ 173,720</u>	<u>\$ 286,959</u>	<u>\$ 294,074</u>	<u>\$ 166,605</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**FREEPORT MIDDLE SCHOOL STUDENT ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
Athletics	\$ 222	\$ 56	\$ 130	\$ 148
Band	190	-	190	-
Band-students	-	739	739	-
Bicycle Coalition Grant	-	294	247	47
Bradley Grant	-	1,975	560	1,415
Class 2014	1,824	-	1,824	-
Class 2015	792	-	463	329
Class 2016	333	3,801	3,973	161
Class 2017	-	21,165	21,013	152
Coffee fund	-	900	900	-
Drama	3,110	21,440	20,363	4,187
Experiential learning	115	-	-	115
Fab friday	1,664	8,673	7,730	2,607
Favreau-technology	1,604	650	323	1,931
Field Trip	-	60	-	60
FLS	-	150	20	130
Gardening club	418	-	23	395
General fund	6,313	11,849	15,144	3,018
GT	943	-	30	913
Guidance	762	40	289	513
Health wellness	2,000	-	-	2,000
JMG	841	2,354	1,907	1,288
Latham grant	277	-	-	277
Lets go grant	38	-	-	38
Library	390	1,972	2,138	224
Magazine drive	1,841	5,996	7,787	50
Mrs. Pritchard's class	52	-	-	52
Musical performances	5,833	1,759	200	7,392
OM-DI	407	1,050	1,050	407
Parent team	5,042	5,192	6,998	3,236
Peer helpers	118	-	-	118
Pepsi	-	150	150	-
Postage	2,740	1,257	1,090	2,907
Project adventure	6,134	200	4,841	1,493
Puffin fund	797	920	1,000	717
Robotics grant	222	-	-	222
Lisa Roney	100	-	-	100
Scholarship fund	1,574	1,034	1,570	1,038
Science-O'Brien	750	385	-	1,135
Space camp	363	28,106	23,658	4,811
Sports boosters	5,096	702	332	5,466
Sunshine fund	174	211	270	115
Touch tank	11	-	-	11
Travel club	402	30,485	30,521	366
Yearbook	687	1,400	1,593	494
	<u>\$ 54,179</u>	<u>\$ 154,965</u>	<u>\$ 159,066</u>	<u>\$ 50,078</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**DURHAM COMMUNITY SCHOOL STUDENT ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
Coffee	\$ 19	\$ -	\$ 19	\$ -
Computer	127	-	127	-
Dance	938	249	579	608
Drama	1,503	1,288	662	2,129
ExxonMobil	370	354	573	151
Field Work	2,834	-	591	2,243
Garden	1,041	55	1,096	-
General school	213	5,591	2,091	3,713
Grade 8	481	4,097	4,210	368
Jeans day	1	-	-	1
JMG	208	1,150	1,312	46
Library	666	112	246	532
Music	1,157	1,256	917	1,496
Outing club	505	3,628	3,225	908
PTA	(591)	651	60	-
Reimbursement	261	120	175	206
Sports gate	1,208	-	-	1,208
Student council	905	582	603	884
Telecommunications	4,541	450	925	4,066
Trips	14,729	10,999	9,868	15,860
Yearbook	2,496	2,488	4,321	663
	<u>\$ 33,612</u>	<u>\$ 33,070</u>	<u>\$ 31,600</u>	<u>\$ 35,082</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**POWNAL ELEMENTARY SCHOOL ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
Anthem La Acct.	\$ 252	\$ -	\$ 252	\$ -
Art funds	1,431	-	-	1,431
Assembly fund	642	-	-	642
Book foundation	323	-	323	-
Class of 2014	327	3,009	3,013	323
Class of 2015	179	-	-	179
Eco Maine	-	346	-	346
Drama account	993	122	803	312
Fun account	1,259	503	786	976
Garden	39	-	-	39
General account	1,193	1,058	1,858	393
Library account	508	-	-	508
Library grant	-	500	240	260
Postage account	(18)	536	492	26
Snacks	642	-	-	642
Soda account	-	65	-	65
Summer day camp	369	-	-	369
Sunshine card	201	280	462	19
Technology A	207	-	207	-
Youth soccer	516	324	504	336
Yearbook	421	-	-	421
Youth Foundation	(13)	13	-	-
Wellness	2,001	21	261	1,761
	<u>\$ 11,472</u>	<u>\$ 6,777</u>	<u>\$ 9,201</u>	<u>\$ 9,048</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**MAST LANDING SCHOOL ACTIVITY FUNDS**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BALANCES**  
**YEAR ENDED JUNE 30, 2015**

	<b>Balance 6/30/2014</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2015</b>
Bradley foundation	\$ 3,112	\$ 4,739	\$ 5,537	\$ 2,314
Cole grant	7	-	-	7
Fpad Grant	-	2,810	550	2,260
Fuel up to play 60	1,483	-	99	1,384
Guidance	221	-	192	29
Library	739	509	359	889
Music/art	135	862	847	150
Office	2,188	4,817	6,062	943
PTC	18,616	30,094	38,003	10,707
School store	138	257	270	125
Wellness program	120	-	-	120
	<u>\$ 26,759</u>	<u>\$ 44,088</u>	<u>\$ 51,919</u>	<u>\$ 18,928</u>