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CERTIFIED PUBLIC ACCOUNTANTS

REGIONAL SCHOOL UNIT NO. 5
FINANCIAL REPORT



JUNE 30, 2010



Communication • Trust • Commitment

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2010

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INDEPENDENT AUDITORS' 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 June 30, 2010, and for the year then ended, which collectively comprise RSU #5's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of Regional School Unit No. 5's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2011, on our consideration of Regional School Unit No. 5's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit prepared in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The combining statements and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Regional School Unit No. 5. Such information 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.

Berry Talbot Royer

Certified Public Accountants
March 15, 2011



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, 2010

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, 2010. 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 \$14,647,133.
- Capital assets of the RSU, net of depreciation, totaling \$28,686,572.

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 assets* presents information on all of the RSU's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 assets 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 \$14,648,270 for the fiscal year ended June 30, 2010.

Table 1
Fiscal Year Ended June 30, 2010
Statement of Net Assets

	<u>Governmental Activities</u> <u>2010</u>
Current and other assets	\$ 7,537,361
Capital assets	<u>28,686,572</u>
Total Assets	<u>36,223,933</u>
Current and other liabilities	<u>21,576,800</u>
Net Assets	
Invested in capital assets, net of related debt	10,687,784
Restricted	2,994,692
Unrestricted	<u>964,657</u>
Total Net Assets	<u>\$ 14,647,133</u>

Most of the RSU's net assets are invested in capital assets (buildings, land, and equipment). The remaining unrestricted net assets are a combination of designated and undesignated amounts. Designated 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 2010 net book value of fixed assets (capital assets, net of depreciation) by asset class.

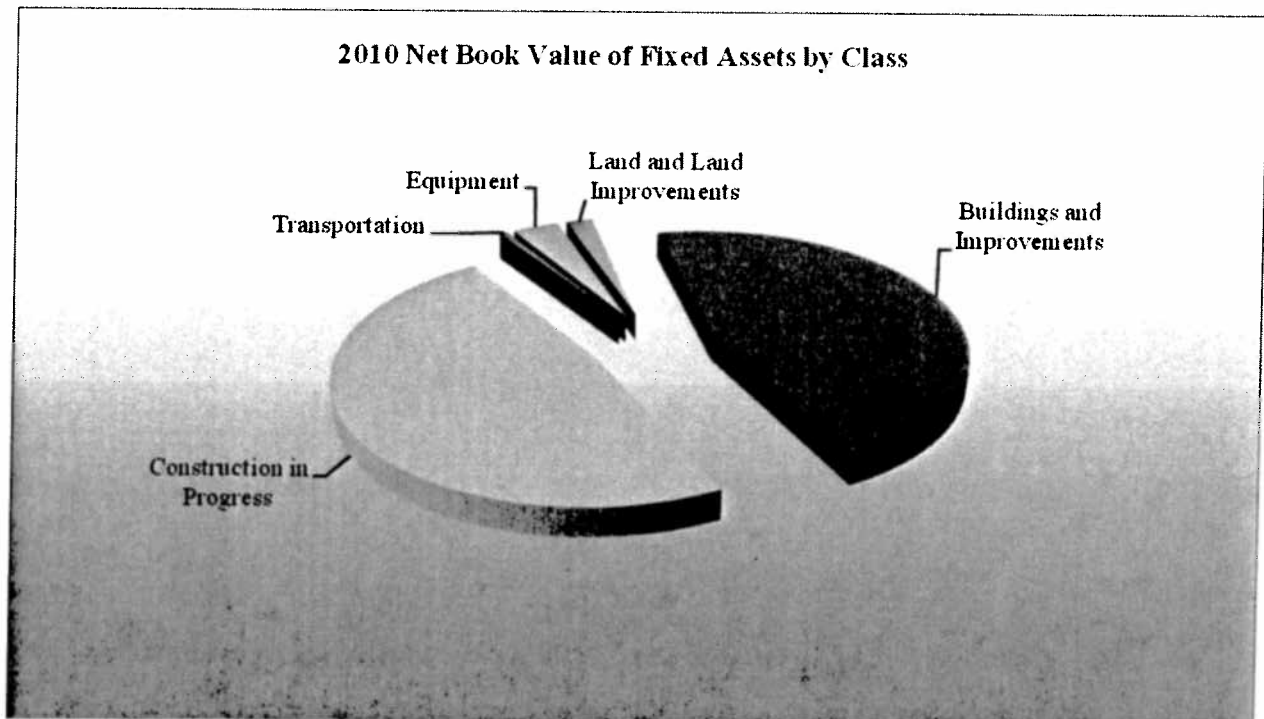


Chart A – Net Book Value of Fixed Asset Classes

Table 2 presents a summary of the RSU's changes in net assets for the fiscal year ended June 30, 2010.

Table 2
Fiscal Year ended June 30, 2010
Changes in Net Assets
Governmental Activities

	<u>2010</u>
Revenues	
Program Revenues:	
Charges for Services	\$ 1,064,785
Operating Grants and Contributions	3,852,841
General Revenues:	
Town Assessments	17,869,927
Subsidies	3,895,134
Interest Earned	28,020
Miscellaneous	18,191
Member Contributions	<u>14,809,849</u>
Total Revenues	<u>41,538,747</u>
Expenses	
Instructions	14,081,897
Debt Service	1,650,355
Instructional Staff Support Services	1,044,984
Student Transportation	1,055,560
Operation & Maintenance	2,280,061
Student Support Services	573,306
General Administration	607,175
School Administration	1,081,244
Intergovernmental	1,800,283
Capital Outlay	143,389
Program Expenditures	1,300,798
Adult and Community Education	818,902
Other Public Instructional Programs	<u>453,660</u>
Total Expenses	<u>26,891,614</u>
Increase (decrease) in net assets	<u>\$ 14,647,133</u>

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

Table 3
Fiscal Year ended June 30, 2010
Net Cost of Governmental Activities

<u>Function/Program</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction & Support	\$ 15,700,187	\$ 14,497,388
Transportation	1,055,560	1,055,560
Operations & Maintenance	2,280,061	2,280,061
Administration	1,688,419	1,688,419
Capital/Site Improvements/Debt Service	1,793,744	1,793,744
Other	<u>4,373,643</u>	<u>658,816</u>
Total governmental activities	<u>\$ 26,891,614</u>	<u>\$ 21,973,988</u>

General Fund Revenues Budget to Actual Summary

For FY 2010, revenues fell short of estimated revenues by approximately \$181,632. The major reason was a reduction in State subsidies due to economic downturn.

	Budget	Actual	Variance
Revenues:			
Town Assessments	\$ 17,869,927	\$ 17,869,927	\$ -
Charges for Services	66,760	637,516	570,756
Intergovernmental	4,725,484	3,944,724	(780,760)
Other	-	28,372	28,372
	<u>\$ 22,662,171</u>	<u>\$ 22,480,539</u>	<u>\$ (181,632)</u>

The following chart depicts program revenues by source.

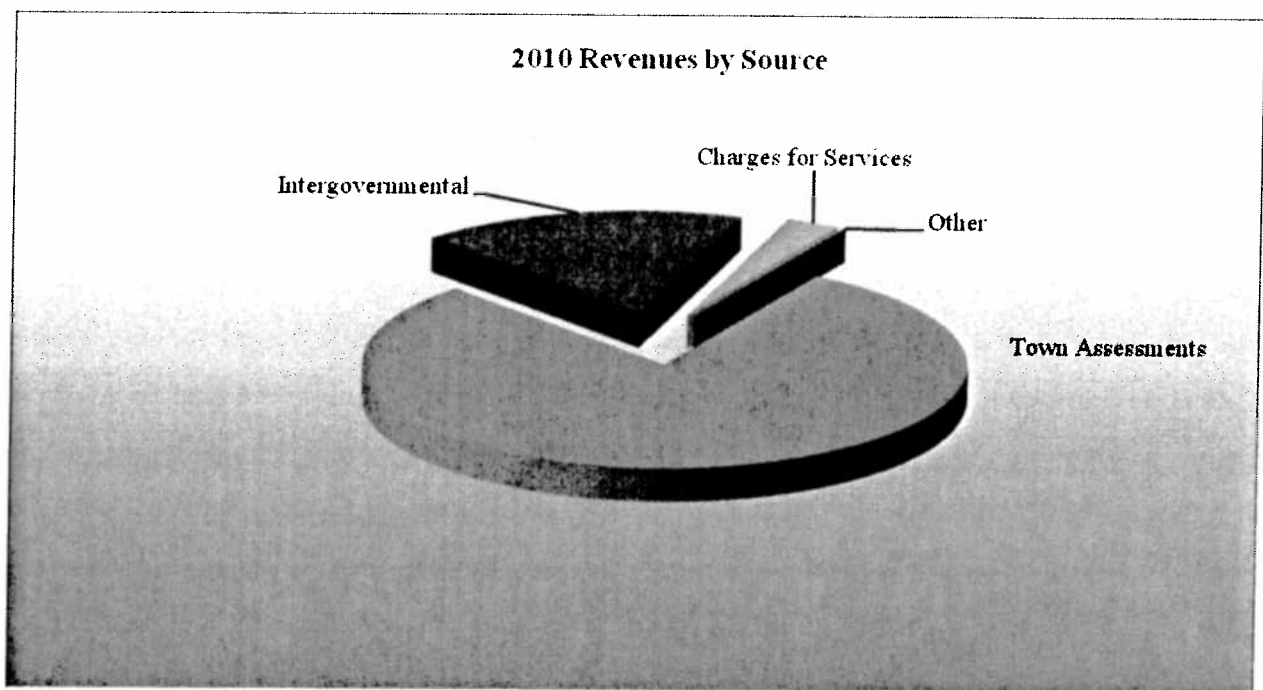


Chart B – Revenues by Source

General Fund Expenditures Budget to Actual Summary

Expenditures were less than budgeted by \$994,837.

Expenditures:	Budget	Actual	Variance
Instruction	\$ 13,166,893	\$ 12,399,696	\$ 767,197
Debt Service	1,928,179	1,554,081	374,098
Instructional Staff Support Services	1,160,524	1,044,984	115,540
School Administration	1,167,495	1,081,244	86,251
Operation and Maintenance of Plant	2,064,906	1,875,935	188,971
Student Support Services	626,878	573,307	53,571
School Administration	629,276	607,175	22,101
Other Public Instructional Programs	472,399	453,660	18,739
Student Transportation	1,134,348	1,061,812	72,536
Site Improvements	62,364	143,389	(81,025)
Adult Education	195,760	219,920	(24,160)
Community Education	-	598,982	(598,982)
	<u>\$ 22,609,022</u>	<u>\$ 21,614,185</u>	<u>\$ 994,837</u>

Chart C graphically depicts expenditures by function.

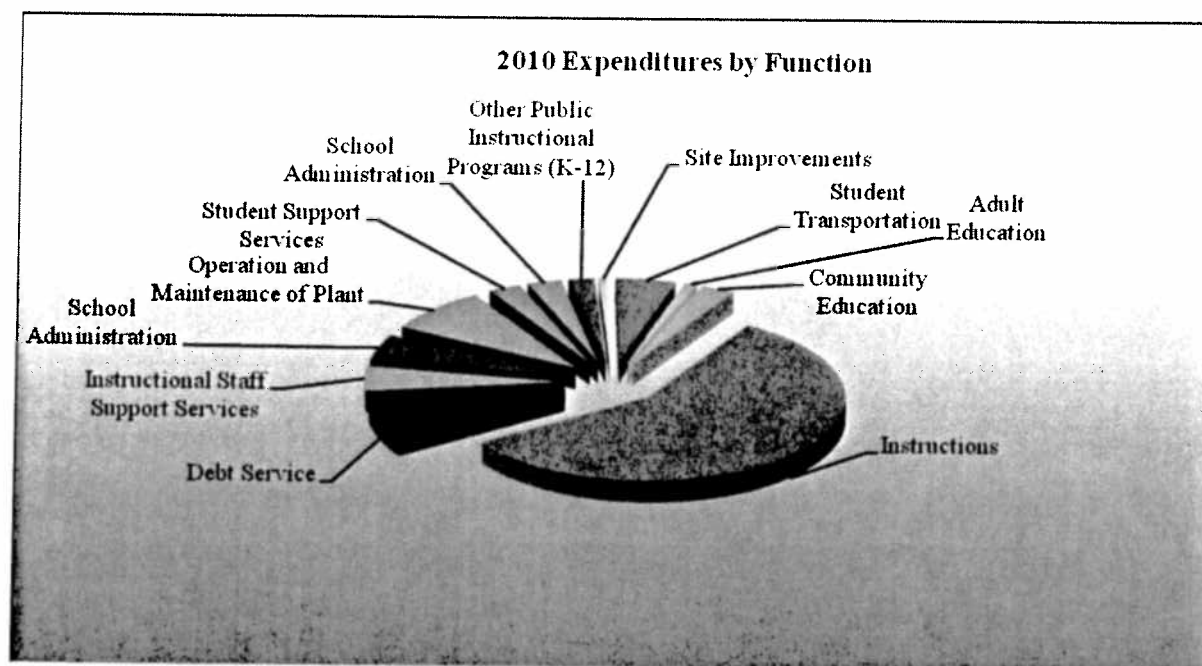


Chart C -- Expenditures by Function

FINANCIAL ANALYSIS OF THE RSU'S FUNDS

As of June 30, 2010, the RSU's governmental funds balance totaled \$4,559,265.

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.

On November 4, 2008 the voters in the Towns of Durham, Freeport, and Pownal voted to form Regional School Unit No.5 (RSU No.5). Official operation began on July 1, 2009.

Actual expenditures were \$994,837 less than budgeted. This is due to several factors. Due to the significant reduction in state subsidy payments (curtailment), spending cut back for regular education resulted in savings of \$767,197. Additionally savings were realized in staff changes with the consolidating of superintendent and business office services, as well as conservation in the areas of electricity, heating fuel, and supplies.

CAPITAL ASSETS

At June 30, 2010, the RSU had \$28,686,572 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4
Governmental Activities Capital Assets
(Net of Depreciation)

	<u>2010</u>
Land	\$ 447,285
Land Improvements	128,827
Construction in Progress	13,728,756
Building Improvements	13,219,101
Equipment and Vehicles	<u>1,162,603</u>
Total	<u>\$ 28,686,572</u>

DEBT ADMINISTRATION

At year-end the RSU had a total of \$17,729,348 of general obligation long-term debt. In addition, the capital lease purchase obligations for school buses and technology equipment totaled \$173,671.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2010.

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

<u>General Long-Term Debt and Lease Obligations</u>	
	<u>2010</u>
Debt Payable at July 1	\$ -
Additions:	18,030,218
Less: Debt Retired	<u>(127,703)</u>
Debt Payable at June 30	<u>\$ 17,902,515</u>

More detailed information about our long-term liabilities is included in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Due to the current state of the economy the 2009-2010 school saw a mid-year \$632,000 curtailment to state subsidy. The RSU received \$615,653 in Federal stabilization funds which then was applied in an effort to reduce the overall tax rates to member communities. The total shared local budget and non shared debt service required for the approved 2009-2010 budget totaled \$17,998,948 broken down as follows: Durham \$3,239,893; Freeport \$12,985,533; Pownal \$1,773,522.

During the 2009-2010 school year a great deal of time was spent on the compliance to the state's mandated school consolidation law. The transition of three business offices was made and continued to be a work in progress throughout the year. Teachers and staff members in all of the schools have begun to work collaboratively to ensure equal education opportunities to all students in the RSU. During 2009-2010 the RSU adopted a Strategic Plan and Capital Plan and worked hard to create a responsible budget that achieves the RSU's goals while balancing the impact to the taxpayers.

Enrollment throughout the RSU continues to be stable and we anticipate it will continue to remain stable.

The RSU will be receiving \$418,655 in federal stabilization funds in 2010-2011 which will help reduce the tax rates to member communities.

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.

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2010

BASIC FINANCIAL INFORMATION

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
ASSETS:	
Cash/Investments	\$ 7,056,762
Accounts Receivable	442,360
Inventory	36,515
Due from Students	1,724
Capital Assets:	
Land and Construction in Progress	14,304,868
Other Capital Assets, Net of Depreciation	14,381,704
TOTAL ASSETS	<u>36,223,933</u>
LIABILITIES:	
Current:	
Accounts Payable	1,676,402
Accrued Expenses	315,822
Accrued Payroll	985,872
Compensated Absences Payable	578,766
Accrued Interest	96,273
Bond Premiums	21,150
Long-Term Debt and Capital Lease Obligations	
Due within One Year	1,009,409
Due in More Than One Year	16,893,106
TOTAL LIABILITIES	<u>21,576,800</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	10,687,784
Restricted for:	
Capital Projects	2,201,149
Special Revenues	601,074
Other Purposes	192,469
Unrestricted	964,657
TOTAL NET ASSETS	<u>\$ 14,647,133</u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

		Program Revenues		Net (Expense) Revenue and Changes In Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
FUNCTIONS				
Primary Government				
Governmental Activities				
Instructions	\$ 14,081,897	\$ 61,583	\$ 1,141,216	\$ (12,879,098)
Debt Service	1,650,355	-	-	(1,650,355)
Instructional Staff Support Services	1,044,984	-	-	(1,044,984)
School Administration	1,081,244	-	-	(1,081,244)
Operation and Maintenance of Plant	2,280,061	-	-	(2,280,061)
Student Support Services	573,306	-	-	(573,306)
General Administration	607,175	-	-	(607,175)
Other Public Instructional Programs (K-12)	453,660	-	-	(453,660)
Site and Capital Improvements	143,389	-	-	(143,389)
Student Transportation	1,055,560	-	-	(1,055,560)
Adult Education	818,902	637,516	49,590	(131,796)
Program Expenditures	1,300,798	365,686	861,752	(73,360)
Maine State Retirement on Behalf Payments	1,800,283	-	1,800,283	-
Total Governmental Activities	<u>26,891,614</u>	<u>1,064,785</u>	<u>3,852,841</u>	<u>(21,973,988)</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 26,891,614</u></u>	<u><u>\$ 1,064,785</u></u>	<u><u>\$ 3,852,841</u></u>	<u><u>\$ (21,973,988)</u></u>

General Revenues and Special Items:

Taxes:	
Local Assessments - K - 12	\$ 17,786,927
Local Assessments - Adult Education	83,000
State Allocation	3,895,134
Investment Earnings	28,020
Miscellaneous	18,191
Member Contributions	14,809,849
Total General Revenues	<u>36,621,121</u>
Change in Net Assets	<u>14,647,133</u>
Net Assets - July 1, 2009	<u>-</u>
Net Assets - June 30, 2010	<u><u>\$ 14,647,133</u></u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General Fund</u>	<u>ARRA State Stabilization</u>	<u>Durham Elementary Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash/Investments	\$ 2,323,846	\$ -	\$ 3,874,241	\$ 858,675	\$ 7,056,762
Accounts Receivable	45,462	139,284	-	257,614	442,360
Due from Other Funds	691,796	-	-	500	692,296
Inventories	-	-	-	36,515	36,515
Due from Students	-	-	-	1,724	1,724
TOTAL ASSETS	<u>\$ 3,061,104</u>	<u>\$ 139,284</u>	<u>\$ 3,874,241</u>	<u>\$ 1,155,028</u>	<u>\$ 8,229,657</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 54,142	\$ -	\$ 1,618,224	\$ 4,036	\$ 1,676,402
Accrued Expenses	315,822	-	-	-	315,822
Accrued Salaries	934,098	-	-	51,774	985,872
Due to Other Funds	-	139,284	54,868	498,144	692,296
Total Liabilities	<u>1,304,062</u>	<u>139,284</u>	<u>1,673,092</u>	<u>553,954</u>	<u>3,670,392</u>
Fund Balances:					
Reserved					
For Specific Purposes	192,469	-	-	-	192,469
Unreserved, reported in:					
General Fund	1,564,573	-	-	-	1,564,573
Special Revenue Funds	-	-	-	601,074	601,074
Capital Projects Funds	-	-	2,201,149	-	2,201,149
Total Fund Balances	<u>1,757,042</u>	<u>-</u>	<u>2,201,149</u>	<u>601,074</u>	<u>4,559,265</u>
TOTAL LIABILITIES AND FUND BALANCES:	<u>\$ 3,061,104</u>	<u>\$ 139,284</u>	<u>\$ 3,874,241</u>	<u>\$ 1,155,028</u>	

Amounts reported for governmental activities in the Statement of
Net Assets (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.	28,686,572
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	(17,729,348)
Bond Premiums	(21,150)
Capital Leases Payable	(173,167)
Compensated Absences Payable	(578,766)
Accrued Interest	(96,273)
Net Assets of Governmental Activities	<u>\$ 14,647,133</u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	ARRA State Stabilization	Durham Elementary Construction	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Local Assessments	\$ 17,869,927	\$ -	\$ -	\$ -	\$ 17,869,927
Intergovernmental	3,944,724	615,653	-	1,387,315	5,947,692
Charges for Services	637,516	-	-	353,379	990,895
Interest Earned	10,181	-	17,839	-	28,020
Intergovernmental on Behalf Payments	1,800,283	-	-	-	1,800,283
Miscellaneous	18,191	-	-	73,892	92,083
Total Revenues	<u>24,280,822</u>	<u>615,653</u>	<u>17,839</u>	<u>1,814,586</u>	<u>26,728,900</u>
EXPENDITURES:					
Instructions	12,399,696	-	-	962,198	13,361,894
Debt Service	1,554,081	-	-	-	1,554,081
Instructional Staff Support Services	1,044,984	-	-	-	1,044,984
School Administration	1,081,244	-	-	-	1,081,244
Operation and Maintenance of Plant	2,176,805	-	-	-	2,176,805
Student Support Services	573,307	-	-	-	573,307
General Administration	607,175	-	-	-	607,175
Other Public Instructional Programs (K-12)	453,660	-	-	-	453,660
Site and Capital Improvements	143,389	-	13,728,756	-	13,872,145
Student Transportation	1,061,812	-	-	-	1,061,812
Adult Education	219,920	-	-	-	219,920
Community Education	598,982	-	-	-	598,982
Program Expenditures	-	615,653	-	685,145	1,300,798
Maine State Retirement on Behalf Payments	1,800,283	-	-	-	1,800,283
Total Expenditures	<u>23,715,338</u>	<u>615,653</u>	<u>13,728,756</u>	<u>1,647,343</u>	<u>39,707,090</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	565,484	-	(13,710,917)	167,243	(12,978,190)
OTHER FINANCING SOURCES (USES):					
Operating Transfer	(182,170)	-	-	182,170	-
Member Contributions	1,072,858	-	-	251,661	1,324,519
Bond Proceeds	-	-	15,890,916	-	15,890,916
Bond Premiums	-	-	21,150	-	21,150
Capital Lease Proceeds	300,870	-	-	-	300,870
	<u>1,191,558</u>	<u>-</u>	<u>15,912,066</u>	<u>433,831</u>	<u>17,537,455</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,757,042	-	2,201,149	601,074	4,559,265
FUND BALANCES - JULY 1, 2009	-	-	-	-	-
FUND BALANCES - JUNE 30, 2010	<u>\$ 1,757,042</u>	<u>\$ -</u>	<u>\$ 2,201,149</u>	<u>\$ 601,074</u>	<u>\$ 4,559,265</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net assets 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, 2010

Net change in fund balances - total governmental funds (from Statement 4) \$ 4,559,265

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 fixed asset contributions and capital additions exceeded depreciation in the current period:

Fixed Asset Contributions	15,323,762
Capital Additions	14,029,626
Depreciation	(666,816)
	28,686,572

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

Long-term Debt Contributions	(1,838,432)
Long-term Debt Proceeds	(15,890,916)
Capital Lease Proceeds	(300,870)
Capital Lease Repayments	127,703
	(17,902,515)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(117,423)

Some 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.

(578,766)

Change in net assets of governmental activities (see Statement 2) \$ 14,647,133

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Town Assessments (Includes Adult Education)	\$ 17,869,927	\$ 17,869,927	\$ -
Charges for Services	66,760	637,516	570,756
State Shared Revenues	4,725,484	3,944,724	(780,760)
Miscellaneous	-	28,372	28,372
TOTAL REVENUES	<u>22,662,171</u>	<u>22,480,539</u>	<u>(181,632)</u>
EXPENDITURES - BY FUNCTIONS:			
Instructions	13,166,893	12,399,696	767,197
Debt Service	1,928,179	1,554,081	374,098
Instructional Staff Support Services	1,160,524	1,044,984	115,540
School Administration	1,167,495	1,081,244	86,251
Operation and Maintenance of Plant	2,064,906	1,875,935	188,971
Student Support Services	626,878	573,307	53,571
General Administration	629,276	607,175	22,101
Other Public Instructional Programs (K-12)	472,399	453,660	18,739
Student Transportation	1,134,348	1,061,812	72,536
Site Improvements	62,364	143,389	(81,025)
Adult Education	195,760	219,920	(24,160)
Community Education	-	598,982	(598,982)
TOTAL EXPENDITURES - BY FUNCTIONS	<u>22,609,022</u>	<u>21,614,185</u>	<u>994,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	53,149	866,354	813,205
OTHER FINANCING SOURCES (USES)			
Transfer Out to School Lunch Program	(182,170)	(182,170)	-
Member Contributions	129,021	1,072,858	943,837
	<u>(53,149)</u>	<u>890,688</u>	<u>943,837</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	1,757,042	1,757,042
FUND BALANCE - JULY 1, 2009	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2010	<u>\$ -</u>	<u>\$ 1,757,042</u>	<u>\$ 1,757,042</u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS - BUDGETARY BASIS TO THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (GAAP)
FOR THE YEAR ENDED JUNE 30, 2010

Explanation of Differences between Budgetary Revenues and Expenditures
(Statement 6) and GAAP Revenues and Expenditures (Statement 4)

Revenues

Total Revenues as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Statement 6)	\$ 22,480,539
Differences-budget to GAAP	
On behalf payments for Maine State Retirement Contributions made by the State of Maine	1,800,283
Total Revenues as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 4)	<u>\$ 24,280,822</u>

Expenditures

Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual (Statement 6)	\$ 21,614,185
Capital Lease Expenditures	300,870
Differences-budget to GAAP	
On behalf payments for Maine State Retirement Contributions made by the State of Maine	1,800,283
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 4)	<u>\$ 23,715,338</u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds</u>
ASSETS:	
Cash/Investments	\$ 186,222
Due from General Fund	<u>-</u>
	<u>186,222</u>
LIABILITIES:	
Due to Other Groups	<u>186,222</u>
NET ASSETS:	
Held in Trust for Other Purposes	<u><u>\$ -</u></u>

The Accompanying Notes are an Integral Part of these Statements

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

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 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 Governmental Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments through its pronouncements (Statements and Interpretations).

The accounting policies of RSU #5 conform to accounting principles generally accepted in the United States of America as applicable 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 assets and the statement of activities, report information on all of the non-fiduciary activities of RSU #5. Governmental activities are normally supported by member assessments and intergovernmental revenues.

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 function, service, program, or department. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Member assessments and other items not properly included among program revenues are reported as general revenues.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single 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.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

Fund Financial Statements

The financial transactions of RSU #5 are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. 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 fund types 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.

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).

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

Trust and Agency Funds - 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Accrual

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

Modified Accrual

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days thereafter to be used to pay current liabilities. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. However, debt service expenditures, as well as certain compensated absences, claims and judgments are recorded when payment is due. Allocation of costs, such as depreciation, is not recognized in the governmental funds. Reimbursements due for federally funded projects are accrued as revenue at the same time the expenditures are made, or when received in advance, or deferred until expenditures are made.

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.

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. The policy is that 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

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

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. Contributed assets are reported at the net book value of the contributing member. Accounting principles generally accepted in the United States of America require that contributed assets be recognized at the fair market value on the date of the contribution; however, the effect of using the net book value as of June 30, 2009 is not materially different from the results that would have been obtained under the fair market value approach. 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 - 20 to 50 years
Furniture and Equipment - 5 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.

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 assets. Bond premiums and discounts, as well as issuance costs, 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, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

Unreserved Fund Balance

The balance of the unreserved fund balance is available to help fund the operations of the subsequent fiscal year.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Reserved Fund Balance

Appropriations for continuing projects, not fully expended at the fiscal year end, are carried forward as continued appropriations to the new fiscal year supplementing the appropriations of that year.

Interfund Transactions

During the course of normal operations, RSU #5 has transactions between funds including expenditures and transfers of resources to provide resources, construct assets and service debt. These transactions are reported as operating transfers.

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 retirements.

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 - 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 \$1,800,283 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 4. There is no effect on the fund balance at the end of the year.

Note 3 - 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

RSU #5 does not have a deposit policy for custodial credit risk. As of June 30, 2010, RSU #5 reported deposits of \$7,351,683 with a bank balance of \$7,778,504. Of RSU #5's bank balances, \$562,777 was covered by FDIC insurance and \$7,215,727 was exposed to custodial credit risk. Of the balance exposed to custodial credit risk, \$6,000,000 was collateralized by government securities held by the pledging bank, but not in the Town's name, and \$1,215,727 was uninsured and uncollateralized.

Investments

Maine statutes authorize RSU #5 to invest in obligations of the U.S. Treasury and U.S. Agencies and repurchase agreements. RSU #5 has no investment policy that would further limit its investment choices. Generally, RSU #5 invests such excess funds in repurchase agreements.

At June 30, 2010, investments for the governmental activities consisted of the following:

	<u>Carrying Amount</u>	<u>Fair Value</u>
MSMA Pool	\$ 10,210	\$ 10,210

Of RSU #5's investment on repurchase agreements as of June 30, 2010, all of the underlying securities are held by the pledging bank's trust department, not in RSU #5's name.

Concentration of Credit Risk

RSU #5 places no limit on the amount invested in any one issuer. All of RSU #5's investments for the governmental activities are in external investment pools.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payable balances at June 30, 2010 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 691,796	\$ -
ARRA State Stabilization	-	139,284
Special Revenue Funds		
Title 1A - Disadvantaged	500	-
Title VI - Rural Low-Income	-	3,291
Healthy Maine Partnership	-	761
School Lunch Program	-	494,092
Capital Projects Fund		
Durham Elementary Construction	-	54,868
	<u>\$ 692,296</u>	<u>\$ 692,296</u>

Note 5 - CAPITAL ASSETS

Capital asset activity during the fiscal year:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Balance June 30, 2010</u>
Capital Assets Not Being Depreciated::			
Land	\$ -	\$ 447,285	\$ 447,285
Construction in Progress	-	13,728,756	13,728,756
Total	-	14,176,041	14,176,041
Capital Assets Being Depreciated:			
Land Improvements	-	137,240	137,240
Building and Improvements	-	13,699,196	13,699,196
Transportation	-	227,243	227,243
Equipment	-	1,113,668	1,113,668
Total	-	15,177,347	15,177,347
Accumulated Depreciation:			
Land Improvements	-	8,413	8,413
Building and Improvements	-	480,095	480,095
Transportation	-	45,483	45,483
Equipment	-	132,826	132,826
Total	-	666,816	666,816
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ 28,686,572</u>	<u>\$ 28,686,572</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 5 - CAPITAL ASSETS (Continued)

Depreciation was charged to functions as follows:

Operations and Maintenance	\$ 480,095
Transportation	45,482
Instructions	<u>141,239</u>
Total Depreciation	<u>\$ 666,816</u>

Included in the above capital assets are capital assets that were obtained through capital leases as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Transportation	\$ 150,870	\$ 9,429
Instruction	<u>150,000</u>	<u>7,500</u>
Total Depreciation	<u>\$ 300,870</u>	<u>\$ 16,929</u>

Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-Term Debt Obligations

The following is a summary of long-term debt transactions of RSU #5 for the year ended June 30, 2010:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Bonds and Notes Payable:					
General Obligation Bonds	\$ -	\$ 17,729,348	\$ -	\$ 17,729,348	\$ 886,469

General long-term debt consists of the following:

Maine Municipal Bond Bank:

New Durham Elementary School Construction Bond, maturing 11/1/29, annual principal payments of \$886,469 plus semi-annual interest payments; variable interest rate from 2.075% to 5.575%; authorized and issued \$17,729,348.

\$ 17,729,348

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)

The annual requirement to amortize debt outstanding as of June 30, 2010 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 886,469	\$ 562,858	\$ 1,449,327
2012	886,469	538,879	1,425,348
2013	886,469	519,776	1,406,245
2014	886,469	500,672	1,387,141
2015	886,469	482,278	1,368,747
2016-2020	4,432,335	2,126,076	6,558,411
2021-2025	4,432,334	1,389,931	5,822,265
2026-2030	<u>4,332,334</u>	<u>546,837</u>	<u>4,979,171</u>
	<u>\$ 17,729,348</u>	<u>\$ 6,667,307</u>	<u>\$ 24,396,655</u>

Interest expense was \$391,511 for the year.

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, 2010.

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, 2010, are as follows:

	<u><i>Year Ending June 30</i></u>	<u>Amount</u>
	2011	\$ 127,703
	2012	<u>51,735</u>
Total minimum lease payments		179,438
Less: Amount representing interest		<u>(6,271)</u>
Present value of net minimum lease payments		173,167
Less: Current maturities of capital lease obligations		<u>(122,940)</u>
Long-term capital lease obligations		<u>\$ 50,227</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 7 - COMMITMENTS

RSU #5 is obligated to pay their portion of the debt service that has been issued in prior years for their building construction, equipment and vehicle purchases, and various other school projects. The bonds and notes payable are reported on the Town of Freeport and Durham's financial statements. The following are the amounts that RSU #5 is obligated to pay:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 981,362	\$ 303,654	\$ 1,285,016
2012	704,362	272,005	976,367
2013	687,019	251,351	938,370
2014	621,334	230,794	852,128
2015	621,335	210,159	831,494
2016-2020	2,761,675	727,527	3,489,202
2021-2025	1,389,175	227,909	1,617,084
2026-2030	<u>544,175</u>	<u>67,138</u>	<u>611,313</u>
	<u>\$ 8,310,437</u>	<u>\$ 2,290,537</u>	<u>\$ 10,600,974</u>

Note 8 - 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 9 - 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, 2010. 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, 2010.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

Note 10 - RETIREMENT PLAN

Maine State Retirement - Teacher Group

Description of the Plan - All school teachers, and other qualified educators, participate in the Maine State Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine State Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State legislature. The Maine State Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. Employee contributions for the year ended June 30, 2010 totaled \$799,258. State of Maine Department of Education is required, by the same statute, to contribute the employer contribution which amounts to \$1,800,283 (17.78%) for the fiscal year 2010. This amount has been reported as an intergovernmental revenue and education expenditure in the GAAP basis financial statements (Statement 2 and 4). There is no contribution required by the School except for federally funded teachers, for which the School contributed 17.78% of their compensation. This cost amounted to \$57,399 for the year ended June 30, 2010 and is charged to the applicable grant.

In addition, RSU #5 participates in the Social Security Retirement Program. RSU #5's contributions to Social Security were approximately \$308,305 for the year ended June 30, 2010.

Note 11 - 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 12 - SUBSEQUENT EVENTS

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through March 15, 2011, the date the financial statements were available to be issued.

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2010

SUPPLEMENTAL DATA

GENERAL FUND

The General Fund accounts for all revenues and expenditures of RSU #5 which are not accounted for in other funds. Most governmental services are provided by the General Fund including administrative services.

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET - GENERAL FUND
 JUNE 30, 2010

	<u>2010</u>
ASSETS:	
Cash/Investments	\$ 2,323,846
Accounts Receivable	45,462
Due from Other Funds	<u>691,796</u>
TOTAL ASSETS	<u><u>\$ 3,061,104</u></u>
LIABILITIES AND FUND BALANCE:	
Liabilities	
Accounts Payable	\$ 54,142
Accrued Expenses	315,822
Accrued Salaries	<u>934,098</u>
	<u>1,304,062</u>
Fund Balance	
Reserved	192,469
Unreserved	<u>1,564,573</u>
	<u>1,757,042</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 3,061,104</u></u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Town Assessments (Includes Adult Education of \$83,000)	\$ 17,869,927	\$ 17,869,927	\$ -
Charges for Services:			
Adult Education	66,760	75,854	9,094
Community Education	-	561,662	561,662
	<u>66,760</u>	<u>637,516</u>	<u>570,756</u>
State Shared Revenues:			
General	4,679,484	3,698,891	(980,593)
Medicaid Reimbursement	-	139,696	139,696
State Agency Client	-	56,547	56,547
Adult Education Subsidy	46,000	49,590	3,590
	<u>4,725,484</u>	<u>3,944,724</u>	<u>(780,760)</u>
Other:			
Interest Earnings	-	10,181	10,181
Miscellaneous	-	18,191	18,191
	<u>-</u>	<u>28,372</u>	<u>28,372</u>
TOTAL REVENUES	<u>22,662,171</u>	<u>22,480,539</u>	<u>(181,632)</u>
EXPENDITURES-BY FUNCTIONS:			
Instructions:			
Elementary and Junior High	6,199,255	6,049,531	149,724
Secondary	3,863,072	3,387,207	475,865
Special Education	3,004,444	2,851,142	153,302
Gifted and Talented	100,122	111,816	(11,694)
	<u>13,166,893</u>	<u>12,399,696</u>	<u>767,197</u>
Debt Service:			
Elementary and Junior High	106,629	106,629	-
Secondary	434,468	434,468	-
Undistributed-System Wide	1,387,082	1,012,984	374,098
	<u>1,928,179</u>	<u>1,554,081</u>	<u>374,098</u>
Instructional Staff Support Services:			
Elementary and Junior High	668,713	598,080	70,633
Secondary	266,671	265,647	1,024
Undistributed-System Wide	225,140	181,257	43,883
	<u>1,160,524</u>	<u>1,044,984</u>	<u>115,540</u>
School Administration:			
Elementary and Junior High	856,207	769,584	86,623
Secondary	311,288	311,660	(372)
	<u>1,167,495</u>	<u>1,081,244</u>	<u>86,251</u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS (Continued)
YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES-BY FUNCTIONS (Continued):			
Operation and Maintenance of Plant:			
Elementary and Junior High	\$ 1,343,612	\$ 1,247,358	\$ 96,254
Secondary	494,353	440,743	53,610
Undistributed-System Wide	226,941	187,834	39,107
	<u>2,064,906</u>	<u>1,875,935</u>	<u>188,971</u>
Student Support Services:			
Elementary and Junior High	344,289	311,280	33,009
Secondary	282,589	262,027	20,562
	<u>626,878</u>	<u>573,307</u>	<u>53,571</u>
General Administration:			
Undistributed-System Wide	<u>629,276</u>	<u>607,175</u>	<u>22,101</u>
Other Public Instructional Programs (K-12):			
Elementary	180,293	167,391	12,902
Secondary	292,106	286,269	5,837
	<u>472,399</u>	<u>453,660</u>	<u>18,739</u>
Other Outlays:			
Student Transportation	1,134,348	1,061,812	72,536
Site Improvements	62,364	143,389	(81,025)
Adult Education	195,760	219,920	(24,160)
Community Education	-	598,982	(598,982)
	<u>1,392,472</u>	<u>2,024,103</u>	<u>(631,631)</u>
TOTAL EXPENDITURES-BY FUNCTIONS	<u>22,609,022</u>	<u>21,614,185</u>	<u>994,837</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	53,149	866,354	813,205
OTHER FINANCING SOURCES (USES):			
Transfer Out to School Lunch Program	(182,170)	(182,170)	-
Member Contributions - Freeport	-	849,423	849,423
Member Contributions - Durham	-	38	38
Member Contributions - Pownal	129,021	223,397	94,376
	<u>(53,149)</u>	<u>890,688</u>	<u>943,837</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ 1,757,042</u>	<u>\$ 1,757,042</u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF CHANGES IN FUND BALANCE - GENERAL FUND
YEAR ENDED JUNE 30, 2010

	<u>Reserved</u>				<u>Total</u>
	<u>Unreserved</u>	<u>Capital Improvement and Vehicles</u>	<u>Adult Education</u>	<u>Community Education</u>	
FUND BALANCE - JULY 1, 2009	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,564,573</u>	<u>67,652</u>	<u>(6,974)</u>	<u>131,791</u>	<u>1,757,042</u>
FUND BALANCE (DEFICIT) - JUNE 30, 2010	<u><u>\$ 1,564,573</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ (6,974)</u></u>	<u><u>\$ 131,791</u></u>	<u><u>\$ 1,757,042</u></u>

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenues (Schedule 1)
ASSETS:	
Cash/Investments	\$ 858,675
Accounts Receivable	257,614
Inventories	36,515
Due from Other Funds	500
Due from Students	1,724
TOTAL ASSETS	<u><u>\$ 1,155,028</u></u>
 LIABILITIES AND FUND BALANCE:	
Liabilities	
Accounts Payable	\$ 4,036
Accrued Salaries	51,774
Due to Other Funds	<u>498,144</u>
	553,954
 Fund Balance	 <u>601,074</u>
TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 1,155,028</u></u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	Special Revenues (Schedule 1a)
REVENUES:	
Intergovernmental	\$ 1,387,315
Charges for Services	353,379
Other	73,892
	<u>1,814,586</u>
EXPENDITURES:	<u>1,647,343</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>167,243</u>
OTHER FINANCING SOURCES (USES):	
Member Contributions	251,661
Transfers In from General Fund	182,170
	<u>433,831</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	601,074
FUND BALANCE - JULY 1	<u>-</u>
FUND BALANCE - JUNE 30	<u><u>\$ 601,074</u></u>

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by RSU #5 in a trustee or agent capacity. These include Expendable Trust, NonExpendable Trust and Agency Funds. NonExpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds, since capital maintenance is necessary. Expendable Trust Funds are accounted for in the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
JUNE 30, 2010

		<u>Agency Funds</u>					
		<u>Freeport High School Student Activity Funds (Schedule 2)</u>	<u>Freeport Middle School Student Activity Funds (Schedule 3)</u>	<u>Durham Elementary School Student Activity Funds (Schedule 4)</u>	<u>Pownal Elementary School Student Activity Funds (Schedule 5)</u>	<u>Mast Landing School Student Activity Funds (Schedule 6)</u>	<u>Total</u>
ASSETS:	Cash/Investment	\$ 55,664	\$ 62,410	\$ 21,166	\$ 11,887	\$ 35,095	\$ 186,222
		<u>55,664</u>	<u>62,410</u>	<u>21,166</u>	<u>11,887</u>	<u>35,095</u>	<u>186,222</u>
LIABILITIES AND NET ASSETS:							
Due to Other Groups							
TOTAL LIABILITIES AND							
NET ASSETS		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<u>Title IA</u> <u>Disadvantaged</u>	<u>Title II</u> <u>Teacher</u> <u>Quality</u>	<u>Title IV-A</u> <u>Drug-Free</u>	<u>Title V</u> <u>Innovative</u>	<u>Local</u> <u>Entitlement</u>	<u>Preschool</u>	<u>Title VI</u> <u>Rural</u> <u>Low Income</u>	<u>Title IID</u> <u>Ed Tech</u> <u>Grant</u>	<u>Student</u> <u>Aspirations</u>	<u>Telecommunications</u> <u>Grant</u>
ASSETS:										
Cash/Investment	\$ -	\$ 48,918	\$ 1,232	\$ -	\$ 30,290	\$ 14,846	\$ -	\$ 3,171	\$ 22,414	\$ 13,950
Accounts Receivable	-	25,448	-	-	181,048	-	5,218	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	500	-	-	-	-	-	-	-	-	-
Due from Students	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 500	\$ 74,366	\$ 1,232	\$ -	\$ 211,338	\$ 14,846	\$ 5,218	\$ 3,171	\$ 22,414	\$ 13,950
LIABILITIES AND FUND BALANCE:										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 4,036	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries	-	-	-	-	18,945	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	3,291	-	-	-
	-	-	-	-	22,981	-	3,291	-	-	-
Fund Balance	500	74,366	1,232	-	188,357	14,846	1,927	3,171	22,414	13,950
TOTAL LIABILITIES AND FUND BALANCE	\$ 500	\$ 74,366	\$ 1,232	\$ -	\$ 211,338	\$ 14,846	\$ 5,218	\$ 3,171	\$ 22,414	\$ 13,950

REGIONAL SCHOOL UNIT NO. 5
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2010

	ARRA Title 1A Disadvantaged	ARRA Local Entitlement	ARRA Preschool	ARRA Title IID Ed Tech	Donations	Laptop Protection	ExxonMobil Foundation	Community Education Football	SAMSHA	Let's Go
ASSETS:										
Cash/Investment	\$ 12,481	\$ 3,707	\$ -	\$ 2,544	\$ 52,101	\$ 10,385	\$ 4,879	\$ 26,143	\$ 213	\$ 1,826
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Due from Students	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 12,481	\$ 3,707	\$ -	\$ 2,544	\$ 52,101	\$ 10,385	\$ 4,879	\$ 26,143	\$ 213	\$ 1,826
LIABILITIES AND FUND BALANCE:										
Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries	12,481	3,707	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
	<u>12,481</u>	<u>3,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance	-	-	-	2,544	52,101	10,385	4,879	26,143	213	1,826
TOTAL LIABILITIES AND FUND BALANCE	\$ 12,481	\$ 3,707	\$ -	\$ 2,544	\$ 52,101	\$ 10,385	\$ 4,879	\$ 26,143	\$ 213	\$ 1,826

REGIONAL SCHOOL UNIT NO. 5
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
JUNE 30, 2010

	<u>Mentoring</u>	<u>Health Grant</u>	<u>Dollars for Scholars</u>	<u>Performing Arts Center</u>	<u>RSU Reorganization</u>	<u>Healthy Maine Partnerships</u>	<u>Unemployment Compensation</u>	<u>School Lunch Program</u>	<u>Totals 2010</u>
ASSETS:									
Cash/Investment	\$ 10,497	\$ 442	\$ 1,879	\$ 14,228	\$ 10,106	\$ -	\$ 10,210	\$ 562,213	\$ 858,675
Accounts Receivable	-	-	-	-	-	36,886	-	9,014	257,614
Inventories	-	-	-	-	-	-	-	36,515	36,515
Due from Other Funds	-	-	-	-	-	-	-	-	500
Due from Students	-	-	-	-	-	-	-	1,724	1,724
TOTAL ASSETS	\$ 10,497	\$ 442	\$ 1,879	\$ 14,228	\$ 10,106	\$ 36,886	\$ 10,210	\$ 609,466	\$ 1,155,028
LIABILITIES AND FUND BALANCE:									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,036
Accrued Salaries	-	-	-	-	-	12,746	-	3,895	51,774
Due to Other Funds	-	-	-	-	-	761	-	494,092	498,144
	-	-	-	-	-	13,507	-	497,987	553,954
Fund Balance	10,497	442	1,879	14,228	10,106	23,379	10,210	111,479	601,074
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,497	\$ 442	\$ 1,879	\$ 14,228	\$ 10,106	\$ 36,886	\$ 10,210	\$ 609,466	\$ 1,155,028

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2010

	<u>Title 1A Disadvantaged</u>	<u>Title II Teacher Quality</u>	<u>Title IV-A Drug-Free</u>	<u>Title V Innovative</u>	<u>Local Entitlement</u>	<u>Preschool</u>	<u>Title VI Rural Low Income</u>	<u>Title IID Ed Tech Grant</u>	<u>Student Aspirations</u>	<u>Telecommunications Grant</u>
REVENUES:										
Intergovernmental	\$ 104,476	\$ 89,069	\$ 5,668	\$ -	\$ 517,959	\$ 14,763	\$ -	\$ 1,426	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	<u>104,476</u>	<u>89,069</u>	<u>5,668</u>	<u>-</u>	<u>517,959</u>	<u>14,763</u>	<u>-</u>	<u>1,426</u>	<u>17,273</u>	<u>-</u>
EXPENDITURES:										
For Designated Purpose:	<u>103,976</u>	<u>65,297</u>	<u>3,844</u>	<u>2,830</u>	<u>374,266</u>	<u>13,382</u>	<u>3,937</u>	<u>1,397</u>	<u>9,566</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	500	23,772	1,824	(2,830)	143,693	1,381	(3,937)	29	7,707	-
OTHER FINANCING SOURCES (USES):										
Member Contributions	-	51,804	-	2,830	44,664	13,465	5,864	1,340	14,707	13,950
Operating Transfer In (Out)	-	(1,210)	(592)	-	-	-	-	1,802	-	-
	<u>-</u>	<u>50,594</u>	<u>(592)</u>	<u>2,830</u>	<u>44,664</u>	<u>13,465</u>	<u>5,864</u>	<u>3,142</u>	<u>14,707</u>	<u>13,950</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	500	74,366	1,232	-	188,357	14,846	1,927	3,171	22,414	13,950
FUND BALANCES - JULY 1	-	-	-	-	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ 500</u>	<u>\$ 74,366</u>	<u>\$ 1,232</u>	<u>\$ -</u>	<u>\$ 188,357</u>	<u>\$ 14,846</u>	<u>\$ 1,927</u>	<u>\$ 3,171</u>	<u>\$ 22,414</u>	<u>\$ 13,950</u>

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
YEAR ENDED JUNE 30, 2010

	<u>ARRA Title 1A Disadvantaged</u>	<u>ARRA Local Entitlement</u>	<u>ARRA Preschool</u>	<u>ARRA Title IID Ed Tech</u>	<u>Donations</u>	<u>Laptop Protection</u>	<u>ExxonMobil Foundation</u>	<u>Community Education Football</u>	<u>SAMSHA</u>	<u>Let's Go</u>
REVENUES:										
Intergovernmental	\$ 46,282	\$ 233,422	\$ 4,458	\$ 3,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Service:	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	26,909	15,600	-	-	-	-
	<u>46,282</u>	<u>233,422</u>	<u>4,458</u>	<u>3,506</u>	<u>26,909</u>	<u>15,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:										
For Designated Purpose:	<u>46,282</u>	<u>233,422</u>	<u>4,458</u>	<u>962</u>	<u>4,988</u>	<u>5,215</u>	<u>-</u>	<u>-</u>	<u>791</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	2,544	21,921	10,385	-	-	(791)	-
OTHER FINANCING SOURCES (USES):										
Member Contributions	-	-	-	-	30,180	-	4,879	26,143	1,004	1,826
Operating Transfer In (Out)	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,180</u>	<u>-</u>	<u>4,879</u>	<u>26,143</u>	<u>1,004</u>	<u>1,826</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	2,544	52,101	10,385	4,879	26,143	213	1,826
FUND BALANCES - JULY 1	-	-	-	-	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,544</u>	<u>\$ 52,101</u>	<u>\$ 10,385</u>	<u>\$ 4,879</u>	<u>\$ 26,143</u>	<u>\$ 213</u>	<u>\$ 1,826</u>

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS (Continued)
YEAR ENDED JUNE 30, 2010

	<u>Mentoring</u>	<u>Health Grant</u>	<u>Dollars for Scholars</u>	<u>Performing Arts Center</u>	<u>RSU Reorganization</u>	<u>Healthy Maine Partnerships</u>	<u>Unemployment Compensation</u>	<u>School Lunch Program</u>	<u>Totals</u> 2010
REVENUES:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,502	\$ 117,685	\$ -	\$ 246,099	\$ 1,387,315
Charges for Service:	-	-	-	-	-	-	-	353,379	353,379
Other	-	-	-	1,803	-	-	12,307	-	73,892
	-	-	-	1,803	2,502	117,685	12,307	599,478	1,814,586
EXPENDITURES:									
For Designated Purpose:	-	-	-	520	14,069	72,996	2,097	683,048	1,647,343
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	1,283	(11,567)	44,689	10,210	(83,570)	167,243
OTHER FINANCING SOURCES (USES):									
Member Contribution:	10,497	442	1,879	12,945	21,673	(21,310)	-	12,879	251,661
Operating Transfer In (Out):	-	-	-	-	-	-	-	182,170	182,170
	10,497	442	1,879	12,945	21,673	(21,310)	-	195,049	433,831
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	10,497	442	1,879	14,228	10,106	23,379	10,210	111,479	601,074
FUND BALANCES - JULY 1	-	-	-	-	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ 10,497</u>	<u>\$ 442</u>	<u>\$ 1,879</u>	<u>\$ 14,228</u>	<u>\$ 10,106</u>	<u>\$ 23,379</u>	<u>\$ 10,210</u>	<u>\$ 111,479</u>	<u>\$ 601,074</u>

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, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
Art Club	\$ -	\$ 2,576	\$ 2,476	\$ 100
Art Supplies	-	60	-	60
Athletics	4,650	8,600	5,839	7,411
Band	699	110	34	775
Basketball Boosters	713	5,581	4,755	1,539
Boys Basketball	-	1,440	393	1,047
Girls Basketball	-	3,474	1,764	1,710
Book Those Rooms	245	-	245	-
Boston Music	6	-	6	-
Bradley Fellowship	2,488	3,000	3,108	2,380
Cafeteria	-	7	7	-
Ceramics	-	700	492	208
Charitable Fund	34	-	34	-
Chex Bix	2	-	2	-
Chorus	2,040	486	433	2,093
Class 2007	25	-	25	-
Class 2008	303	-	-	303
Class 2009	120	15	-	135
Class 2010	4,756	1,716	6,472	-
Class 2011	4,860	9,216	4,497	9,579
Class 2012	1,263	6,230	4,354	3,139
Class 2013	-	6,407	3,861	2,546
Corliss, Ryan Scholarship	170	-	-	170
Cross Country	786	190	976	-
Disks	233	-	23	210
Doucette, Josh	-	50	50	-
Drama General	775	-	-	775
Drama/Musical	4,890	5,630	5,368	5,152
EFF Grant Smail	336	12	348	-
English	7	1,152	950	209
Environment Club	-	180	79	101
Equipment	354	-	196	158
Falcon Newspaper	789	-	-	789
Fiber Arts	820	60	39	841
Field Hockey	727	270	270	727
Fishing Club	398	500	-	898
Food Labs	2,631	855	111	3,375
Football	2,727	23,622	26,349	-
Foreign Language	271	232	90	413
Gay/Straight All	187	-	-	187
Sub-total	<u>38,305</u>	<u>82,371</u>	<u>73,646</u>	<u>47,030</u>

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, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
General Fund	\$ 19,970	\$ 915	\$ 3,692	\$ 17,193
Great Schools Grant	-	505	505	-
In and Out	-	6,912	6,359	553
Investment Interest	209	2,068	1,727	550
JMG	2,676	665	916	2,425
Koval Scholarship	-	100	-	100
Lacrosse Boosters	-	1,655	1,442	213
Lacrosse Boys	97	-	97	-
Lacrosse Girls	246	-	246	-
Laptop	34	459	34	459
Laptop Ins	-	13,554	13,554	-
Lets Go Grant	-	646	646	-
Library	428	198	108	518
Little River	205	-	146	59
Logan, June Memorial Fund	15	-	15	-
Math Department	1,625	165	778	1,012
Math Team	-	371	280	91
MCEE Grant	22	-	22	-
Media Workshop	693	75	-	768
Megan Beane	464	660	1,000	124
Melmac Scholarship	-	1,000	-	1,000
Model UN	-	4,347	3,600	747
Montreal Trip	35	-	35	-
Muir, Bryce Scholarship	5,002	-	1,500	3,502
National Honor Society	162	-	12	150
NGP	19	-	-	19
Office Clearing	111	100	211	-
One Act Plays	742	1,809	1,574	977
PG	7,638	32,246	37,323	2,561
Photography	365	1,665	1,195	835
Postage	454	-	126	328
Principal's Contingency	3	2,467	1,958	512
Project Graduation - 2007	1,066	-	-	1,066
PTSO	805	-	424	381
Scholarships	-	3,630	3,000	630
Science	1,131	364	455	1,040
Science Olympiad	171	703	405	469
Service Club	676	1,368	713	1,331
Ski Boosters	-	24,725	8,674	16,051
Ski Team	-	140	140	-
Sub-total	<u>45,064</u>	<u>103,512</u>	<u>92,912</u>	<u>55,664</u>

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, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
Soccer Boosters	\$ 443	\$ 9,147	\$ 2,580	\$ 7,010
Soccer, Boys	384	6,445	6,829	-
Soccer, Girls	-	2,857	2,857	-
Social Planning Board	-	1,215	598	617
Social Studies	106	353	24	435
Sports Boosters	27,087	17,000	11,788	32,299
Student Council	707	1,087	498	1,296
Summer School	11,837	3,830	7,860	7,807
Sunny Pines Race	-	200	200	-
Sunshine Fund	412	50	123	339
Tech Club	55	-	-	55
Thomas Max Scholarship	3,000	150	1,000	2,150
Track and Field	-	8,555	7,672	883
Videography	224	110	-	334
World Affairs Massey	197	-	197	-
World Art Affairs	6	-	6	-
XC Track Boosters	-	11,377	7,721	3,656
Yearbook	10,754	18,840	18,267	11,327
Other - Suspense	619	-	-	619
Sub-total	<u>55,831</u>	<u>81,216</u>	<u>68,220</u>	<u>68,827</u>
Grand Total	<u>\$ 139,200</u>	<u>\$ 267,099</u>	<u>\$ 234,778</u>	<u>\$ 171,521</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, 2010

	<u>Balance</u> <u>6/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>6/30/2010</u>
Athletics	\$ 380	\$ 632	\$ 33	\$ 979
Band	2,421	1,674	35	4,060
Band-Students	-	1,422	1,117	305
Class 2010	6,703	15,365	14,112	7,956
Class 2011	1,337	8,752	7,005	3,084
Class 2012	-	1,534	1,488	46
Computers	10,157	8,191	14,821	3,527
Drama	1,104	212	761	555
Fab Friday	-	5,080	4,507	573
Favreau-Technology	-	1,000	-	1,000
Future Problem Solvers	221	674	315	580
Gardening Club	3,223	-	859	2,364
General Fund	8,344	1,556	1,754	8,146
Guidance	1,148	192	129	1,211
Kieve 2009	2,013	-	2,013	-
Kieve 2010	3,002	-	3,002	-
Kieve 2011	1,510	-	1,510	-
Kieve 2012	-	16,646	16,646	-
Latham Grant	277	-	-	277
Lets Go Grant	-	500	462	38
Library	179	286	279	186
Lowe's Grant	2,000	-	2,000	-
Magazine Drive	18	14,603	14,621	-
OM-DI	30	-	-	30
Parent Team	1,208	2,695	1,962	1,941
Park Place	484	-	-	484
Peer Helpers	471	-	-	471
Postage	562	3,566	1,071	3,057
Project Adventure	47	1,417	330	1,134
Puffin Fund	2,323	1,250	1,710	1,863
Robotics Grant	-	2,110	723	1,387
S.T.E.M.	-	260	-	260
Scholarship Fund	-	932	25	907
School Photographer Rebate	277	1,007	358	926
Space Camp	1,166	13,539	11,245	3,460
Special Olympics	622	1,217	1,455	384
Student Government	3,220	-	-	3,220
Sunshine Fund	786	392	431	747
Technology	45	-	45	-
Textbooks	450	79	159	370
Travel Club	72	17,102	15,112	2,062
Unsung Hero Grant	95	-	-	95
Whale Watch	9	-	-	9
Yearbook	414	4,302	-	4,716
	<u>\$ 56,318</u>	<u>\$ 128,187</u>	<u>\$ 122,095</u>	<u>\$ 62,410</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, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
Calculators	\$ 15	\$ 228	\$ 228	\$ 15
Computer	336	-	-	336
Dance	909	1,933	1,371	1,471
Enrichment	1,419	-	-	1,419
Field Work	27	4,317	1,731	2,613
General School	1,226	1,912	1,407	1,731
Grade 8	472	2,523	2,476	519
Guidance	40	-	-	40
Jeans Day	271	284	105	450
Laptop Maintenance	(87)	4,591	2,502	2,002
Library	379	211	214	376
Literary Magazine	(1,482)	1,482	-	-
Music	470	838	804	504
Referee - Officials	384	600	806	178
Reimbursement	26	1,694	1,991	(271)
Sports Gate	1,243	627	166	1,704
Student Council	-	5,189	5,214	(25)
Sunshine Fund	-	150	-	150
Trips	6,625	9,423	9,610	6,438
T-Shirts	-	2,422	1,392	1,030
User Fees	163	1,340	1,361	142
Yearbook	167	2,022	1,845	344
	<u>\$ 12,603</u>	<u>\$ 41,786</u>	<u>\$ 33,223</u>	<u>\$ 21,166</u>

REGIONAL SCHOOL UNIT NO. 5
POWNALE ELEMENTARY SCHOOL ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
Adult Volunteer Readers	\$ 100	\$ -	\$ 100	\$ -
Anthem La Acct.	1,114	-	267	847
Art Funds	1,374	81	-	1,455
Assembly Fund	642	-	-	642
Class Of 2008 (Grad. Acct.)	50	-	50	-
Class Of 2009	1,189	-	1,189	-
Class Of 2010	209	4,241	3,336	1,114
Class Of 2011	48	35	-	83
Class Of 2012	2	35	-	37
Class Of 2013	1	6	-	7
Drama Account	360	1,078	1,148	290
Fine Arts Account	746	14	760	-
Fun Account	1,761	973	365	2,369
General Account	3,007	5,372	8,276	103
Library Account	906	166	564	508
Literacy Card	-	330	330	-
Middle School Account	200	74	-	274
Officials Account	(165)	1,512	1,347	-
Playground Account	110	-	110	-
Postage Account	243	800	1,157	(114)
Snacks	278	372	30	620
Soda Account	(255)	1,244	917	72
Student Council	74	-	74	-
Summer Day Camp	565	-	-	565
Sunshine Card	154	365	453	66
Technology A	305	-	65	240
Technology Insurance	943	-	-	943
Youth Soccer	291	396	285	402
Yearbook	729	635	-	1,364
	<u>\$ 14,981</u>	<u>\$ 17,729</u>	<u>\$ 20,823</u>	<u>\$ 11,887</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, 2010

	<u>Balance</u> <u>06/30/09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/10</u>
Guidance	\$ 526	\$ 174	\$ 314	\$ 386
Music/Art	1,427	3,866	3,759	1,534
Office	4,860	6,741	4,661	6,940
PTC	16,896	38,414	29,075	26,235
	<u>\$ 23,709</u>	<u>\$ 49,195</u>	<u>\$ 37,809</u>	<u>\$ 35,095</u>