

REGIONAL SCHOOL UNIT NO. 5
FINANCIAL REPORT



JUNE 30, 2014

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 5, as of and for the year ended June 30, 2014, 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, 2014, 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 and budgetary comparison information on pages 3 - 10 and 36 - 39 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 13 to the financial statements, the July 1, 2013 net position in Statement 2 was understated. Accordingly, an adjustment has been made to correct beginning net position for the year ended June 30, 2014.

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 December 30, 2014, 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

December 30, 2014



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, 2014

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, 2014. 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 \$13,967,026.
- Capital assets of the RSU, net of depreciation, totaling \$27,814,311.

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 \$13,979,019 for the fiscal year ended June 30, 2014.

Table 1
Fiscal Year Ended June 30, 2014
Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 3,692,246	\$ 3,817,169
Capital assets	<u>27,814,311</u>	<u>27,753,592</u>
Total Assets	<u>31,506,557</u>	<u>31,570,761</u>
 Current and Other Liabilities	 <u>17,539,531</u>	 <u>18,305,616</u>
 Net Position		
Net Investment in Capital Assets	13,340,831	12,349,063
Restricted	169,083	908,577
Unrestricted	<u>457,112</u>	<u>7,505</u>
Total Net Position	<u>\$ 13,967,026</u>	<u>\$ 13,265,145</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 2014 net book value of fixed assets (capital assets, net of depreciation) by asset class.

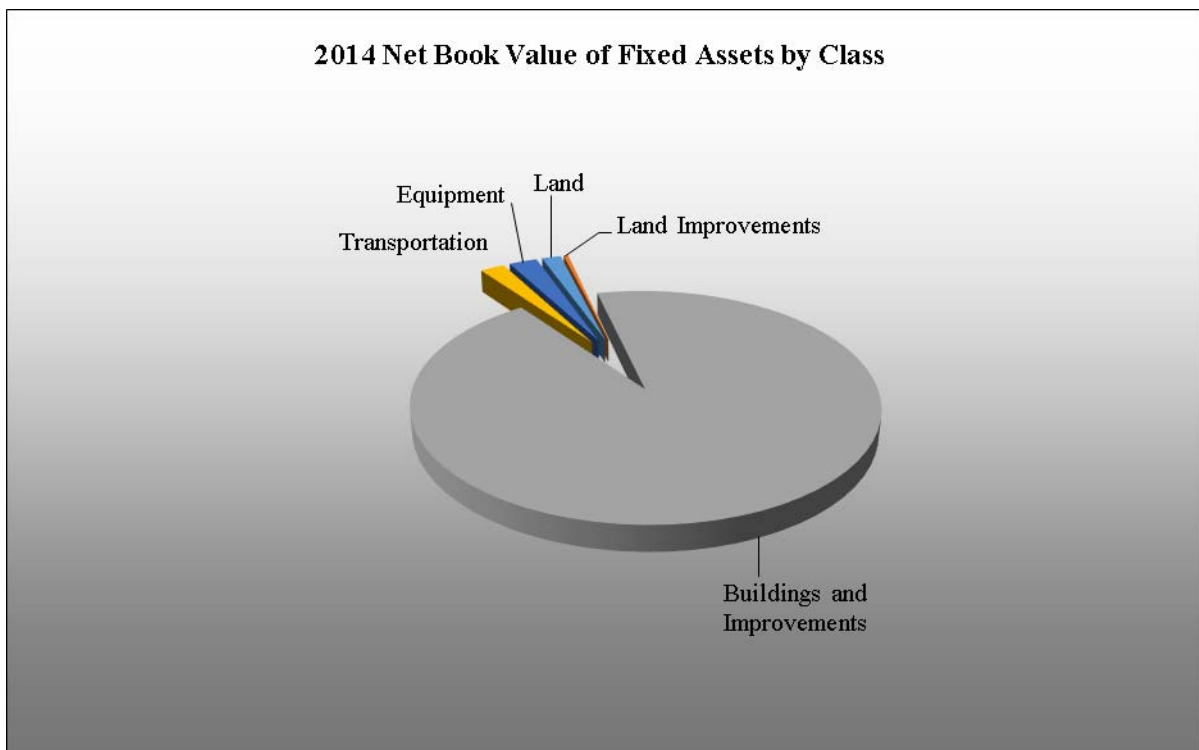


Chart A – Net Book Value of Fixed Asset Classes

Table 2 presents a summary of the RSU's changes in net position for the fiscal year ended June 30, 2014.

Table 2		
Fiscal Year ended June 30, 2014		
Changes in Net Position		
<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,137,913	\$ 1,249,857
Operating Grants and Contributions	2,589,328	2,930,703
General Revenues:		
Town Assessments	20,160,995	18,839,998
Subsidies	4,692,600	5,148,409
Interest Earned	1,138	5,742
Miscellaneous	<u>229,939</u>	<u>116,375</u>
Total Revenues	<u>28,811,913</u>	<u>28,291,084</u>
Expenses		
Student and Staff Support	2,308,558	2,260,995
School Administration	1,256,001	1,127,862
Facilities Maintenance	3,535,494	3,714,154
Career and Technical Education	461,494	453,054
Crossing Guards	897	895
Regular Instruction	10,667,336	11,115,093
Other Instruction	695,200	631,393
System Administration	647,853	584,057
Transportation Services	1,390,807	1,314,571
Debt Service	864,210	937,763
Special Education Services	3,609,736	3,024,118
Program Expenditures	776,881	814,988
Adult and Community Education	846,259	866,217
On Behalf Payments	<u>1,648,055</u>	<u>1,868,785</u>
Total Expenses	<u>28,708,781</u>	<u>28,713,945</u>
Increase (decrease) in Net Position	<u>\$ 103,132</u>	<u>\$ (422,861)</u>

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

Table 3
Fiscal Year ended June 30, 2014
Net Cost of Governmental Activities

<u>Function/Program</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction & Support	\$ 17,742,324	\$ 17,067,959
Transportation	1,390,807	1,390,807
Facilities Maintenance	3,535,494	3,535,494
Administration	1,903,854	1,903,854
Capital/Site Improvements/Debt Service	864,210	864,210
Other	<u>3,272,092</u>	<u>219,216</u>
Total governmental activities	<u>\$ 28,708,781</u>	<u>\$ 24,981,540</u>

General Fund Revenues Budget to Actual Summary

	Final Budget	Actual	Variance
Revenues:			
Town Assessments	\$ 20,160,995	\$ 20,160,995	\$ -
Charges for Services	81,955	94,933	12,978
Intergovernmental	5,207,350	4,736,240	(471,110)
Other	<u>112,358</u>	<u>176,161</u>	<u>63,803</u>
	<u>\$ 25,562,658</u>	<u>\$ 25,168,329</u>	<u>\$ (394,329)</u>

The following chart depicts program revenues by source.

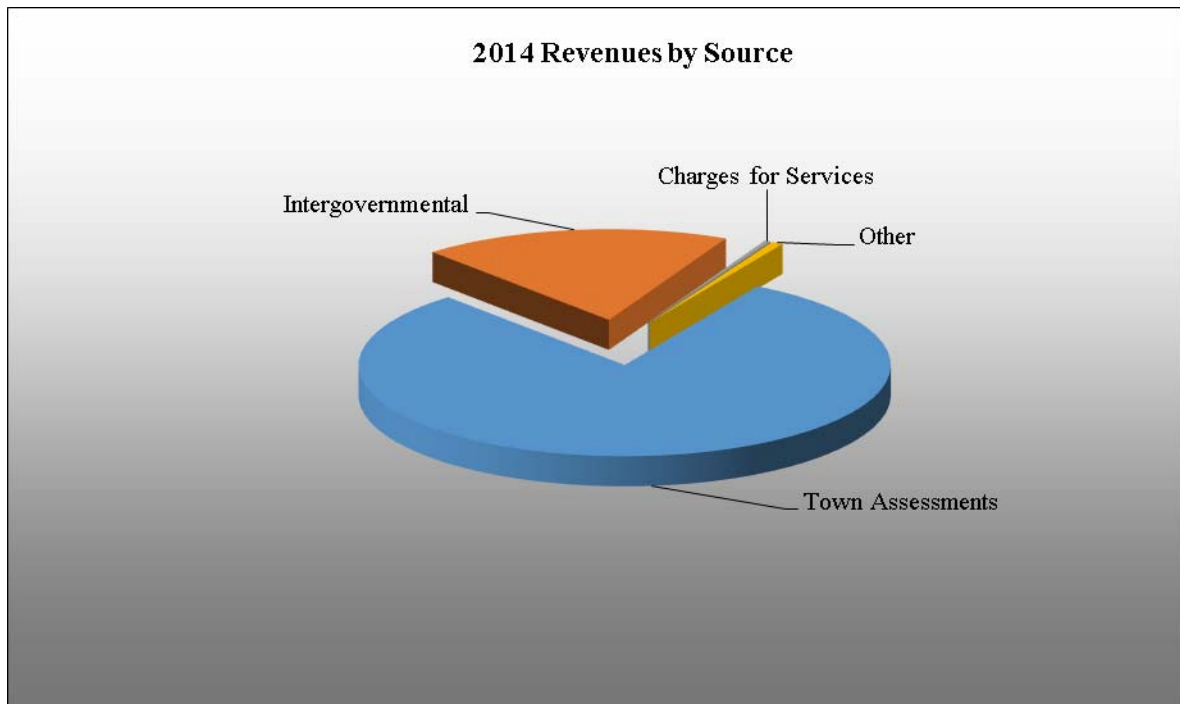


Chart B – Revenues by Source

General Fund Expenditures Budget to Actual Summary

	Final Budget	Actual	Variance
Expenditures:			
Student and Staff Support	\$ 2,389,233	\$ 2,316,499	\$ 72,734
School Administration	1,267,647	1,255,533	12,114
Facilities Maintenance	2,862,076	2,736,765	125,311
Career and Technical Education	461,494	461,494	-
- Crossing Guard	1,400	897	503
Regular Instruction	10,955,347	10,470,377	484,970
Other Instruction	685,777	685,229	548
System Administration	685,897	661,089	24,808
Transportation Services	1,450,654	1,448,996	1,658
Debt Service	1,754,858	1,754,858	-
Special Education Services	3,235,930	3,135,150	100,780
Adult Education	203,345	209,840	(6,495)
	<u>\$ 25,953,658</u>	<u>\$ 25,136,727</u>	<u>\$ 816,931</u>

Chart C graphically depicts expenditures by function.

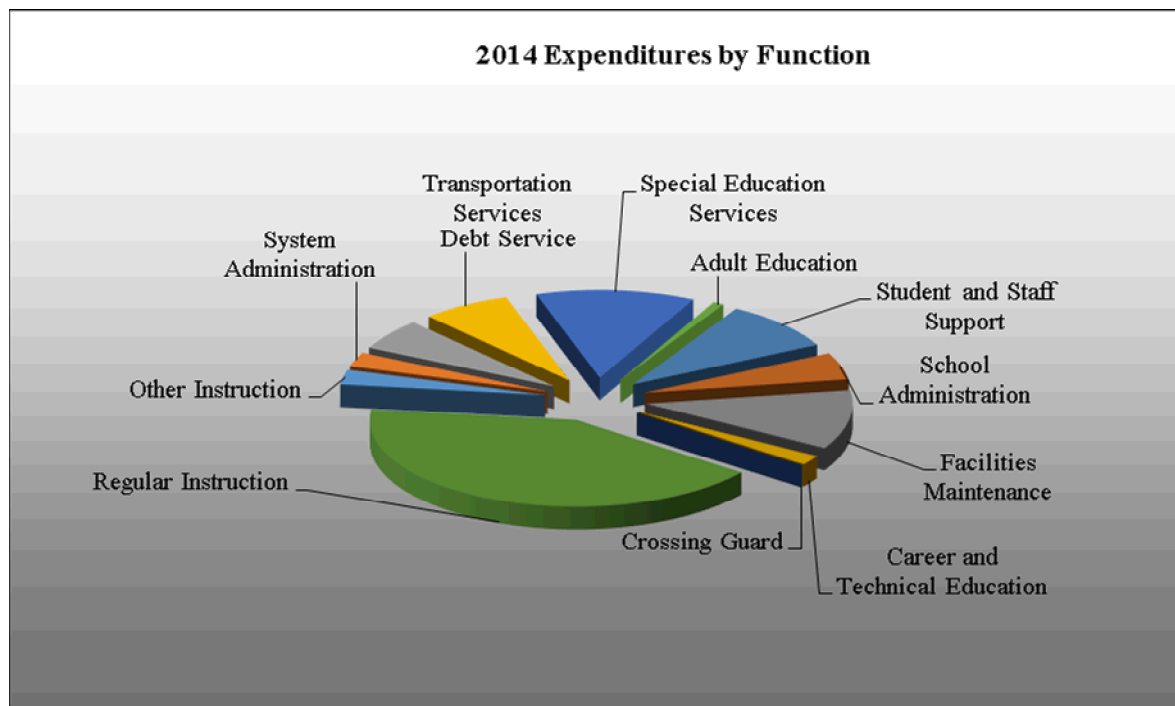


Chart C – Expenditures by Function

FINANCIAL ANALYSIS OF THE RSU'S FUNDS

As of June 30, 2014, the RSU's governmental funds balance totaled \$1,458,639.

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, 2014, the RSU had \$27,814,311 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4
Governmental Activities Capital Assets
(Net of Depreciation)

	<u>2014</u>	<u>2013</u>
Land	\$ 447,285	\$ 447,285
Land Improvements	111,911	104,664
Building Improvements	26,021,207	26,020,086
Equipment and Vehicles	<u>1,233,908</u>	<u>1,181,557</u>
Total	<u>\$ 27,814,311</u>	<u>\$ 27,753,592</u>

DEBT ADMINISTRATION

At the end of the year RSU had a total of \$14,183,472 of general obligation long-term debt. In addition, the capital lease purchase obligations for the buses, vans, and technology equipment totaled \$191,398.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2014.

Table 5
Fiscal Year Ended June 30, 2014
General Long Term Debt and Lease Obligations

	<u>General Long-Term Debt and Lease Obligations</u>	
	<u>2014</u>	<u>2013</u>
Debt payable at July 1	\$ 15,301,740	\$ 16,108,371
Debt Additions	171,196	236,127
Debt Retired	<u>(1,098,066)</u>	<u>(1,042,758)</u>
Debt Payable at June 30	<u>\$ 14,374,870</u>	<u>\$ 15,301,740</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The total 2013-2014 RSU5 citizen approved operating budget was \$25,938,313. Anticipated State Aid to Education and local revenues accounted for \$5,777,317 with \$15,907,360 as the required local share, \$3,840,637 as the local additional required, and \$412,999 as the non-shared debt service. Local assessment for the approved 2013-2014 budget are broken down as follows: Durham \$3,889,320; Freeport \$4,291,054; Pownal \$1,980,621.

In 2013-2014 Educators at the High School began working towards the newly mandated Standards Based Education. That work also continues in the 2014-2015 school year. Administration, teachers and staff members in all of the schools continue to work collaboratively in professional development groups and work to share resources to ensure equal education opportunities to all students in the RSU.

Administration, staff, and the Board worked creatively to create a responsible operating budget for the 2014-2015 school year that resulted in a \$1,426,934 increase over the previous year budget. In 2014-2015, RSU5 continued working toward the commitment made to improving reading and math programming by adding a K-6 Math Strategist position as well as an additional K-8 Literacy Strategist position. The district also added two additional staff members to address the continued special education needs of the district. The savings the district would have received with the expiration of the grandfathering for Durham secondary students to attend Brunswick High School were shifted to tuition expenses for students opting to attend local Charter Schools. With the retirement of Superintendent Shannon Welsh on June 30, 2014, the district is operating with two interim Co-Superintendents for the 2014-2015 school year. A Superintendent Search Committee has been formed and the district is actively seeking a permanent replacement 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.

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2014

BASIC FINANCIAL INFORMATION

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>
ASSETS:	
Cash/Investments	\$ 3,041,018
Accounts Receivable	600,256
Inventories	37,961
Due from Students	10,900
Due from Fiduciary Funds	2,111
Capital Assets:	
Land and Land Improvements	430,617
Other Capital Assets, Net of Depreciation	27,383,694
TOTAL ASSETS	<u>31,506,557</u>
LIABILITIES:	
Accounts Payable	241,796
Accrued Expenses	298,053
Accrued Salaries and Benefits	1,705,751
Accrued Interest	81,913
Long-term Liabilities	
Compensated Absences Payable	820,451
Bonds and Leases Due within One Year	1,020,808
Bonds and Leases Due in More Than One Year (Including Bond Premiums of \$16,697)	13,370,759
	<u>17,539,531</u>
TOTAL LIABILITIES	
NET POSITION:	
Net Investment in Capital Assets	13,340,831
Restricted	169,083
Unrestricted	457,112
TOTAL NET POSITION	<u><u>\$ 13,967,026</u></u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues		Net (Expense)
		Charges for	Operating	Revenue and Changes
	Expenses	Services	Grants and Contributions	In Net Position
				Governmental Activities
FUNCTIONS				
Primary Government				
Governmental Activities				
Student and Staff Support	\$ 2,308,558	\$ -	\$ -	\$ (2,308,558)
School Administration	1,256,001	-	-	(1,256,001)
Facilities Maintenance	3,535,494	-	-	(3,535,494)
Career and Technical Education	461,494	-	-	(461,494)
Crossing Guards	897	-	-	(897)
Regular Instruction	10,667,336	58,279	183,715	(10,425,342)
Other Instruction	695,200	-	-	(695,200)
System Administration	647,853	-	-	(647,853)
Transportation Services	1,390,807	-	-	(1,390,807)
Debt Service	864,210	-	-	(864,210)
Special Education Services	3,609,736	-	432,371	(3,177,365)
Adult Education	209,840	94,933	43,640	(71,267)
Community Education	636,419	656,126	-	19,707
Program Expenditures	776,881	328,575	281,547	(166,759)
Maine State Retirement on Behalf Payments	1,648,055	-	1,648,055	-
Total Governmental Activities	<u>28,708,781</u>	<u>1,137,913</u>	<u>2,589,328</u>	<u>(24,981,540)</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 28,708,781</u></u>	<u><u>\$ 1,137,913</u></u>	<u><u>\$ 2,589,328</u></u>	<u><u>\$ (24,981,540)</u></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, 2014

General Revenues and Special Items:

Taxes:

Local Assessments - K - 12	\$ 20,077,995
Local Assessments - Adult Education	83,000
State Allocation	4,692,600
Investment Earnings	1,138
Miscellaneous	229,939
	<u>25,084,672</u>
Change in Net Position	103,132
Net Position - July 1, 2013	13,265,145
Prior Period Adjustment	598,749
Net Position - June 30, 2014	<u><u>\$ 13,967,026</u></u>

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>School Lunch Program</u>	<u>Local Entitlement Grant</u>	<u>Community Education</u>	<u>Durham Elementary Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:							
Cash/Investments	\$ 1,544,299	\$ 819,701	\$ -	\$ 509,358	\$ -	\$ 167,660	\$ 3,041,018
Accounts Receivable	38,030	18,699	474,582	-	-	68,945	600,256
Due from Other Funds	1,809,372	-	-	-	-	-	1,809,372
Inventories	-	37,961	-	-	-	-	37,961
Due from Students	-	10,900	-	-	-	-	10,900
TOTAL ASSETS	<u><u>\$ 3,391,701</u></u>	<u><u>\$ 887,261</u></u>	<u><u>\$ 474,582</u></u>	<u><u>\$ 509,358</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 236,605</u></u>	<u><u>\$ 5,499,507</u></u>
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$ 237,640	\$ -	\$ 2,056	\$ 1,250	\$ -	\$ 850	\$ 241,796
Accrued Expenses	298,053	-	-	-	-	-	298,053
Accrued Salaries and Benefits	1,674,797	14,354	1,328	23	-	15,249	1,705,751
Due to Other Funds	-	977,604	471,198	305,613	-	52,846	1,807,261
Total Liabilities	<u>2,210,490</u>	<u>991,958</u>	<u>474,582</u>	<u>306,886</u>	<u>-</u>	<u>68,945</u>	<u>4,052,861</u>
Fund Balances:							
Nonspendable	-	37,961	-	-	-	-	37,961
Restricted for:							
Adult Education	1,423						1,423
Special Revenues	-	-	-	-	-	167,660	167,660
Capital Projects Funds	-	-	-	-	-	-	-
Committed for:							
Capital Improvements and Fuel Oil Expenditures	111,016	-	-	-	-	-	111,016

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>General Fund</u>	<u>School Lunch Program</u>	<u>Local Entitlement Grant</u>	<u>Community Education</u>	<u>Durham Elementary Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned for:							
Use of Fund Balance	196,000	-	-	-	-	-	196,000
Adult Education	11,943	-	-	-	-	-	11,943
Special Revenues	-	-	-	202,472	-	-	202,472
Unassigned	860,829	(142,658)	-	-	-	-	718,171
 Total Fund Balances (Deficit)	<u>1,181,211</u>	<u>(104,697)</u>	<u>-</u>	<u>202,472</u>	<u>-</u>	<u>167,660</u>	<u>1,446,646</u>
 TOTAL LIABILITIES AND FUND BALANCES:	<u><u>\$ 3,391,701</u></u>	<u><u>\$ 887,261</u></u>	<u><u>\$ 474,582</u></u>	<u><u>\$ 509,358</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 236,605</u></u>	

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.

27,814,311

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	(14,183,472)
Bond Premiums	(16,697)
Capital Leases Payable	(191,398)
Compensated Absences Payable	(820,451)
Accrued Interest	(81,913)
Net Position of Governmental Activities	<u><u>\$ 13,967,026</u></u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>School Lunch Program</u>	<u>Local Entitlement Grant</u>	<u>Community Education</u>	<u>Durham Elementary Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:							
Local Assessments	\$ 20,160,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,160,995
Intergovernmental	4,736,240	281,547	432,371	-	-	183,715	5,633,873
Charges for Services	94,933	313,128	-	656,126	-	-	1,064,187
Interest Earned	722	-	-	-	416	-	1,138
Intergovernmental on Behalf Payments	1,648,055	-	-	-	-	-	1,648,055
Miscellaneous	175,439	-	-	-	54,500	73,726	303,665
Total Revenues	<u>26,816,384</u>	<u>594,675</u>	<u>432,371</u>	<u>656,126</u>	<u>54,916</u>	<u>257,441</u>	<u>28,811,913</u>
EXPENDITURES:							
Student and Staff Support	2,316,499	-	-	-	-	-	2,316,499
School Administration	1,255,533	-	-	-	-	-	1,255,533
Facilities Maintenance	2,736,765	-	-	-	-	-	2,736,765
Career and Technical Education	461,494	-	-	-	-	-	461,494
Crossing Guard	897	-	-	-	-	-	897
Regular Instruction	10,513,845	-	-	-	-	277,854	10,791,699
Other Instruction	685,229	-	-	-	-	-	685,229
System Administration	661,089	-	-	-	-	-	661,089
Transportation Services	1,576,724	-	-	-	-	-	1,576,724
Debt Service	1,754,858	-	-	-	-	-	1,754,858
Special Education Services	3,135,150	-	474,586	-	-	-	3,609,736
Adult Education	209,840	-	-	-	-	-	209,840
Community Education	-	-	-	636,419	-	-	636,419
Program Expenditures	-	762,009	-	-	-	8,981	770,990
Maine State Retirement on Behalf Payments	1,648,055	-	-	-	-	-	1,648,055
Total Expenditures	<u>26,955,978</u>	<u>762,009</u>	<u>474,586</u>	<u>636,419</u>	<u>-</u>	<u>286,835</u>	<u>29,115,827</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, 2014

	<u>General Fund</u>	<u>School Lunch Program</u>	<u>Local Entitlement Grant</u>	<u>Community Education</u>	<u>Durham Elementary Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(139,594)	(167,334)	(42,215)	19,707	54,916	(29,394)	(303,914)
OTHER FINANCING SOURCES (USES):							
Capital Lease Proceeds	171,196	-	-	-	-	-	171,196
Transfers In (Out)	389,702	105,000	-	-	(494,702)	-	-
	<u>560,898</u>	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>(494,702)</u>	<u>-</u>	<u>171,196</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	421,304	(62,334)	(42,215)	19,707	(439,786)	(29,394)	(132,718)
FUND BALANCES (DEFICIT) - JULY 1, 2013	<u>759,907</u>	<u>(42,363)</u>	<u>42,215</u>	<u>182,765</u>	<u>439,786</u>	<u>197,054</u>	<u>1,579,364</u>
FUND BALANCES (DEFICIT) - JUNE 30, 2014	<u><u>\$ 1,181,211</u></u>	<u><u>\$ (104,697)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 202,472</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 167,660</u></u>	<u><u>\$ 1,446,646</u></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, 2014

Net change in fund balances - total governmental funds (from Statement 4) \$ (132,718)

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	469,396
Depreciation	(1,007,426)
	(538,030)

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 capital lease proceeds in the current period:

Capital Lease Proceeds	(171,196)
Capital Lease Repayments	211,598
Long Term Debt Repayment	886,469
	926,871

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. In addition, bond premiums are reported as other financing sources in the governmental funds but must be amortized over the life of the bond in the statement of activities. This is the amount of the change in accrued interest (\$3,066) and bond premium amortization (\$1,112).

4,178

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.

(157,169)

Change in net position of governmental activities (see Statement 2) \$ 103,132

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Funds</u>
ASSETS:	
Cash/Investments	\$ 314,009
LIABILITIES:	
Due to Other Funds	2,111
Due to Other Groups	<u>311,898</u>
	314,009
NET POSITION:	
Held in Trust for Other Purposes	<u><u>\$ -</u></u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 Codification, 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 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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.

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 School Lunch Program, Local Entitlement, and Community Education are major special revenue funds. These funds are used to account for activity that is legally restricted to the each 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). The Durham Elementary Construction Fund is a major capital project fund. This fund is used to account for activity related to the Durham Elementary Project Fund.

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. 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 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 currently has no transactions that meet the definition of deferred outflows of resources.

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. At this time, RSU #5 has no transactions that meet the definition of deferred inflows of resources.

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	\$ 32,380,169
Accumulated Depreciation	(4,565,858)
Bonds and Notes Payable	(14,374,870)
Accrued Interest	(81,913)
Accrued Bond Premiums	<u>(16,697)</u>
Total Net Investment in Capital Assets	<u>\$ 13,340,831</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:

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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. In the governmental funds, RSU #5 classifies specific unspent special revenue funds as restricted.

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 Receivables/Payables

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 School 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

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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.

Deposits

RSU #5 does not have a deposit policy for custodial credit risk. As of June 30, 2014, RSU #5 reported deposits of \$3,233,379 with a bank balance of \$3,382,586. Of RSU #5's bank balances, \$283,828 was covered by FDIC insurance and \$3,098,759 was exposed to custodial credit risk. The balance exposed to custodial credit risk was collateralized by government securities held by the pledging bank, but not in RSU#5's name.

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.

At June 30, 2014, investments for the governmental activities consisted of the following:

	<u>Fair Value</u>	<u>Less than 1 Year</u>
MSMA Pool	<u>\$ 36,973</u>	<u>\$ 36,973</u>

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, 2014

Note 3 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Individual interfund receivables and payable balances at June 30, 2014 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,809,372	\$ -
School Lunch Program	-	977,604
Local Entitlement	-	471,198
Community Education	-	305,613
Nonmajor Special Revenue Funds	-	52,846
Agency Funds	-	2,111
	<u>\$ 1,809,372</u>	<u>\$ 1,809,372</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, 2014 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 494,702	\$ 105,000
Durham Elementary Construction	-	494,702
School Lunch Program	<u>105,000</u>	<u>-</u>
	<u>\$ 599,702</u>	<u>\$ 599,702</u>

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

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 4 - CAPITAL ASSETS

Capital asset activity during the fiscal year:

	Balance June 30, <u>2013</u> (restated)	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2014</u>
Capital Assets Not Being Depreciated:				
Land	\$ 447,285	\$ -	\$ -	\$ 447,285
Capital Assets Being Depreciated:				
Land Improvements	153,908	-	-	153,908
Building and Improvements	29,506,325	218,232	-	29,724,557
Transportation	755,385	154,176	-	909,561
Equipment	<u>1,047,870</u>	<u>96,988</u>	<u>-</u>	<u>1,144,858</u>
Total	<u>31,910,773</u>	<u>469,396</u>	<u>-</u>	<u>32,380,169</u>
Accumulated Depreciation:				
Land Improvements	33,826	8,171	-	41,997
Building and Improvements	2,884,443	818,907	-	3,703,350
Transportation	246,690	89,844	-	336,534
Equipment	<u>393,473</u>	<u>90,504</u>	<u>-</u>	<u>483,977</u>
Total	<u>3,558,432</u>	<u>1,007,426</u>	<u>-</u>	<u>4,565,858</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,352,341</u>	<u>\$ (538,030)</u>	<u>\$ -</u>	<u>\$ 27,814,311</u>

Depreciation was charged to functions as follows:

Operations and Maintenance	\$ 825,177
Transportation	91,891
Instructions	<u>90,358</u>
Total Depreciation	<u>\$ 1,007,426</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	\$ 95,992	\$ 27,950
Transportation	<u>312,285</u>	<u>51,789</u>
Total	<u>\$ 408,277</u>	<u>\$ 79,739</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

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	\$ 15,069,939	\$ -	\$ (886,467)	\$ 14,183,472	\$ 886,467
Capital Leases Payable	231,799	171,196	(211,597)	191,398	134,341
Compensated Absences	<u>663,282</u>	<u>157,169</u>	<u>-</u>	<u>820,451</u>	<u>-</u>
(Net Increase)	<u>\$ 15,965,020</u>	<u>\$ 328,365</u>	<u>\$ (1,098,064)</u>	<u>\$ 15,195,321</u>	<u>\$ 1,020,808</u>

Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-Term Debt Obligations

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.

\$ 14,183,472

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

Long-Term Debt Obligations (Continued)

The annual requirement to amortize debt outstanding as of June 30, 2014 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 886,467	\$ 482,278	\$ 1,368,745
2016	886,467	463,884	1,350,351
2017	886,467	445,490	1,331,957
2018	886,467	427,095	1,313,562
2019	886,467	405,568	1,292,035
2020-2024	4,432,335	1,562,571	5,994,906
2025-2029	4,432,335	733,525	5,165,860
2030	<u>886,467</u>	<u>24,710</u>	<u>911,177</u>
	<u>\$ 14,183,472</u>	<u>\$ 4,545,121</u>	<u>\$ 18,728,593</u>

Interest expense was \$611,600 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, 2014.

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, 2014, are as follows:

	<i>Year Ending June 30</i>	<i>Amount</i>
	2015	\$ 140,059
	2016	<u>58,579</u>
Total minimum lease payments		198,638
Less: Amount representing interest		<u>(7,240)</u>
Present value of net minimum lease payments		191,398
Less: Current maturities of capital lease obligations		<u>(134,341)</u>
Long-term capital lease obligations		<u>\$ 57,057</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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 in the name of the Town of Freeport and the Town of Durham, and reported on their 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>
2015	\$ 584,290	\$ 202,498	\$ 786,788
2016	584,290	183,917	768,207
2017	580,767	163,213	743,980
2018	580,767	140,835	721,602
2019	525,767	117,283	643,050
2020-2024	1,743,039	288,448	2,031,487
2025-2029	544,175	90,058	634,233
2030	<u>108,833</u>	<u>3,034</u>	<u>111,867</u>
	<u>\$ 5,251,928</u>	<u>\$ 1,189,286</u>	<u>\$ 6,441,214</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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014. 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, 2014.

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 by state statute to contribute 7.65% of their compensation to the retirement system. State statute also requires an employer contribution rate to be calculated annually based on an actuarial valuation of the assets and liabilities of MainePERS. The total employer contribution is paid by both the state and by employers. The State of Maine Department of Education is required to pay the unfunded actuarial liability (UAL) portion of the employer contribution which, until fiscal year 2014, was 100% of the employer contribution. Employers are required to pay the normal cost portion of the employer contribution, which, until fiscal year 2014, was 0%. Effective fiscal year 2014, the State-paid UAL portion employer contribution is 13.5% of wages and the employer-paid normal cost portion is 2.65% of wages.

For teachers whose wages are federally grant-funded, the UAL portion of the employer contribution and the employer-paid normal cost are charged to the applicable federal grant funds.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 - RETIREMENT PLAN (Continued)

Maine State Retirement - Teacher Group (Continued)

The required contributions in dollars and percentage of compensation for the last three years are as follows:

	<u>2012</u>		<u>2013</u>		<u>2014</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Maine Department of Education						
Regular Teachers	\$ 1,933,960	16.36%	\$ 1,868,785	16.33%	\$ 1,648,055	13.50%
Regional School Unit No. 5						
Federally Funded Teachers	82,959	16.36%	12,187	16.33%	17,194	13.50%
All teachers	-	<u>0.00%</u>	-	<u>0.00%</u>	<u>327,545</u>	<u>2.65%</u>
Totals	<u>\$ 2016,819</u>	<u>16.36%</u>	<u>\$ 1,880,972</u>	<u>16.33%</u>	<u>\$ 1,992,794</u>	<u>16.15%</u>

The amount of the state-paid UAL portion has been reported as intergovernmental on-behalf revenue and expenditures in the financial statements.

In addition, RSU #5 participates in the Social Security Retirement Program. RSU #5's contributions to Social Security and Medicare were approximately \$371,733 for the year ended June 30, 2014.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11 - COMPONENTS OF FUND BALANCE

As of June 30, 2014, 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	\$ -	\$ -	\$ 98,003	\$ -	\$ -
Fuel Oil Reserve	-	-	13,013	-	-
Use of Fund Balance	-	-	-	196,000	-
Adult Education	-	1,423	-	11,943	-
Unassigned	-	-	-	-	860,829
School Lunch Program	37,961	-	-	-	(142,658)
Other Governmental Funds:					
Special Revenues					
Getting to Proficiency Grant	-	5,499	-	-	-
Student Aspirations	-	25,788	-	-	-
Donations	-	39,257	-	-	-
Laptop Protection	-	21,414	-	-	-
SAMSHA	-	101	-	-	-
Mentoring	-	10,497	-	-	-
Dollars for Scholars	-	1,879	-	-	-
Performing Arts Center	-	26,252	-	-	-
Community Education	-	-	-	202,472	-
Unemployment Compensation	-	36,973	-	-	-
Total	<u>\$ 37,961</u>	<u>\$ 169,083</u>	<u>\$ 111,016</u>	<u>\$ 410,415</u>	<u>\$ 718,171</u>

Note 12 - DEFICIT FUND BALANCE

The RSU #5's Special Revenue school lunch fund is carrying forward a fund deficit as of June 30, 2014. This deficit will be funded by future operations.

Note 13 - PRIOR PERIOD ADJUSTMENT

The RSU's beginning net position for Governmental Activities in Statement 2 has been restated from the previously issued 2013 financial statements to reflect unrecorded capital improvements. As a result, the Town's beginning net position for Governmental Activities in Statement 2 was increased by \$598,749.

Note 14 - 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Note 15 - SUBSEQUENT EVENTS

Pursuant to a November 5, 2013 referendum, the voters approved the issuance of general obligation bonds not to exceed \$14,638,009 to construct and equip renovations and additions to Freeport High School. The Superintendent was not to take any action on the bonds until directed to do so by the Board. Not until the results of the November 4, 2014 referendum, which the Town of Freeport voted to remain in the RSU, did the Board authorize the Superintendent to begin the construction process.

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through December 30, 2014, the date the financial statements were available to be issued.

REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

REGIONAL SCHOOL UNIT NO. 5
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Town Assessments (Includes Adult Education of \$83,000)	\$ 20,160,995	\$ 20,160,995	\$ 20,160,995	\$ -
Charges for Services:				
Adult Education	81,955	81,955	94,933	12,978
State Shared Revenues:				
General	5,103,960	5,103,960	4,635,489	(468,471)
Medicaid Reimbursement	20,000	20,000	15,948	(4,052)
State Agency Client	45,000	45,000	41,163	(3,837)
Adult Education Subsidy	38,390	38,390	43,640	5,250
	<u>5,207,350</u>	<u>5,207,350</u>	<u>4,736,240</u>	<u>(471,110)</u>
Other:				
Interest Earnings	4,900	4,900	722	(4,178)
Miscellaneous	107,458	107,458	175,439	67,981
	<u>112,358</u>	<u>112,358</u>	<u>176,161</u>	<u>63,803</u>
TOTAL REVENUES	<u>25,562,658</u>	<u>25,562,658</u>	<u>25,168,329</u>	<u>(394,329)</u>
EXPENDITURES-BY FUNCTIONS:				
Student and Staff Support	2,389,233	2,389,233	2,316,499	72,734
School Administration	1,250,147	1,267,647	1,255,533	12,114
Facilities Maintenance	2,936,504	2,862,076	2,736,765	125,311
Career and Technical Education	461,494	461,494	461,494	-
Crossing Guard	1,400	1,400	897	503
Regular Instruction	11,060,907	10,955,347	10,470,377	484,970
Other Instruction	678,292	685,777	685,229	548
System Administration	685,897	685,897	661,089	24,808
Transportation Services	1,369,698	1,450,654	1,448,996	1,658
Debt Service	1,754,858	1,754,858	1,754,858	-
Special Education Services	3,161,883	3,235,930	3,135,150	100,780
Other Outlays:				
Adult Education	203,345	203,345	209,840	(6,495)
TOTAL EXPENDITURES-BY FUNCTIONS	<u>25,953,658</u>	<u>25,953,658</u>	<u>25,136,727</u>	<u>816,931</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(391,000)</u>	<u>(391,000)</u>	<u>31,602</u>	<u>422,602</u>

REGIONAL SCHOOL UNIT NO. 5
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (391,000)	\$ (391,000)	\$ 31,602	\$ 422,602
OTHER FINANCING SOURCES (USES):				
Transfer Out to School Lunch Program	(105,000)	(105,000)	(105,000)	-
Transfer In from Capital Projects Fund	-	-	494,702	494,702
Budgeted Use of Surplus	496,000	496,000	-	(496,000)
	<u>391,000</u>	<u>391,000</u>	<u>389,702</u>	<u>(1,298)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,304</u>	<u>\$ 421,304</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2014

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 \$1,648,055 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.

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 (Exhibit 1) and General Fund GAAP Revenues and Expenditures (Statement 4) are as follows:

Revenues

Total Revenues as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Exhibit 1)	\$ 25,168,329
Differences-budget to GAAP	
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,648,055</u>
Total Revenues as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 4)	<u>\$ 26,816,384</u>

Expenditures

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Exhibit 1)	\$ 25,136,727
Capital Lease Outlay	171,196
Differences-budget to GAAP	
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,648,055</u>
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 4)	<u>\$ 26,955,978</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2014

Note 2 - RECONCILIATION OF BUDGETARY VS. FUND FINANCIAL STATEMENTS (Continued)

Other Financing Sources (Uses)

Total Other Financing Sources (Uses) as reported on Budgetary Comparison Schedule - Budget and Actual- Budgetary Basis (Exhibit 1)	\$ (105,000)
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Capital Lease Proceeds	171,196
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Transfer in from Capital Projects	<u>494,702</u>
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Total Other Financing Sources (Uses) as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 4)	<u>\$ 560,898</u>
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REGIONAL SCHOOL UNIT NO. 5
JUNE 30, 2014

OTHER SUPPLEMENTAL INFORMATION

REGIONAL SCHOOL UNIT NO. 5
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

Exhibit 2-1

	ASSETS			LIABILITIES AND FUND BALANCE				
	Cash/ Investments	Accounts Receivable	Total Assets	Accounts Payable	Accrued Salaries	Due to Other Funds	Fund Balance	Total Liabilities and Fund Balance
Title 1A Disadvantaged	\$ -	\$ 49,816	\$ 49,816	\$ -	\$ 14,940	\$ 34,876	\$ -	\$ 49,816
Preschool	-	9,855	9,855	-	-	9,855	-	9,855
Getting to Proficiency	5,499	-	5,499	-	-	-	5,499	5,499
Improving Teacher Quality	-	9,274	9,274	850	309	8,115	-	9,274
Student Aspirations	25,788	-	25,788	-	-	-	25,788	25,788
Donations	39,257	-	39,257	-	-	-	39,257	39,257
Laptop Protection	21,414	-	21,414	-	-	-	21,414	21,414
SAMSHA	101	-	101	-	-	-	101	101
Let's Go	-	-	-	-	-	-	-	-
Mentoring	10,497	-	10,497	-	-	-	10,497	10,497
Health Grant	-	-	-	-	-	-	-	-
Dollars for Scholars	1,879	-	1,879	-	-	-	1,879	1,879
Performing Arts Center	26,252	-	26,252	-	-	-	26,252	26,252
Healthy Maine Partnerships	-	-	-	-	-	-	-	-
Unemployment Compensation	36,973	-	36,973	-	-	-	36,973	36,973
Total:	<u>\$ 167,660</u>	<u>\$ 68,945</u>	<u>\$ 236,605</u>	<u>\$ 850</u>	<u>\$ 15,249</u>	<u>\$ 52,846</u>	<u>\$ 167,660</u>	<u>\$ 236,605</u>

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Fund Balances Beginning of Year	Program Revenues		Program Expenditures	Fund Balances End of Year
		Intergovern- mental	Other		
Title 1A Disadvantaged	\$ 23,989	\$ 102,002	\$ -	\$ 125,991	\$ -
Preschool	-	9,855	-	9,855	-
Getting to Proficiency Grant	-	20,724	-	15,225	5,499
Improving Teacher Quality	2,795	51,134	-	53,929	-
Student Aspirations	34,214	-	9,179	17,605	25,788
Donations	29,201	-	14,165	4,109	39,257
Laptop Protection	14,520	-	25,785	18,891	21,414
SAMSHA	101	-	-	-	101
Let's Go	2,044	-	-	2,044	-
Mentoring	10,497	-	-	-	10,497
Health Grant	442	-	-	442	-
Dollars for Scholars	1,879	-	-	-	1,879
Performing Arts Center	19,938	-	9,150	2,836	26,252
Healthy Maine Partnerships	26,927	-	-	26,927	-
Unemployment Compensation	30,507	-	15,447	8,981	36,973
Total:	\$ 197,054	\$ 183,715	\$ 73,726	\$ 286,835	\$ 167,660

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
JUNE 30, 2014

Agency Funds							
Community Education Football	Freeport High School Student Activity Funds (Schedule 1)	Freeport Middle School Student Activity Funds (Schedule 2)	Durham Elementary School Student Activity Funds (Schedule 3)	Pownal Elementary School Student Activity Funds (Schedule 4)	Mast Landing School Student Activity Funds (Schedule 5)	Total	
ASSETS:							
Cash/Investment	\$ 14,427	\$ 173,555	\$ 54,182	\$ 33,612	\$ 11,485	\$ 26,749	\$ 314,009
LIABILITIES:							
Due to Other Funds	2,111	-	-	-	-	-	2,111
Due to Other Groups	12,316	173,555	54,182	33,612	11,485	26,749	311,898
	14,427	173,555	54,182	33,612	11,485	26,749	314,009
TOTAL NET POSITION							
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
Art Club	\$ 87	\$ -	\$ 50	\$ 37
Amnest International	-	161	-	161
Art Supplies	90	-	-	90
Athletics	62,952	98,274	100,623	60,603
Band	5,457	1,615	1,755	5,317
Beautification Project	4,996	-	4,996	-
Bradley Fellowship	7,290	4,130	7,651	3,769
Ceramics	515	440	955	-
Chorus	1,695	814	1,498	1,011
Class 2013	(185)	185	-	-
Class 2014	12,661	2,076	13,330	1,407
Class 2015	5,616	15,361	10,776	10,201
Class 2016	1,944	5,005	2,047	4,902
Class 2017	-	3,938	1,733	2,205
Disks	145	-	145	-
Drama General	775	-	775	-
Drama/Musical	2,664	5,987	5,741	2,910
Engineering Class	357	525	379	503
English	108	18	-	126
Environment Club	40	-	-	40
Equipment	158	1,000	72	1,086
Falcon Newspaper	789	-	789	-
Fishing Club	2,109	-	-	2,109
Food Charity	160	-	160	-
Food Classes	1,269	-	1,269	-
Foreign Language	387	200	255	332
Freeport to Freeport	45	-	45	-
Garden Grant	28	-	28	-
Gay/Straight All	1,168	48	153	1,063
General Fund	8,977	-	8,105	872
Health Team	252	-	-	252
Homecoming	2,134	1,177	163	3,148
JMG	3,151	4,383	4,939	2,595
Laptop	132	-	-	132
Library	638	31	-	669
Math Department	402	50	76	376
Math Team	169	227	380	16
Media Workshop	249	10	-	259
Megan Beane	119	-	119	-
Melmac Scholarship	1,500	1,500	-	3,000
Model UN	30	7,870	4,108	3,792
Sub-total	<u>131,073</u>	<u>155,024</u>	<u>173,115</u>	<u>112,982</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, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
Muir, Bryce Scholarship	\$ 202	\$ -	\$ 202	\$ -
National Honor Society	56	-	-	56
NGP	19	-	19	-
NYC Trip	1,973	-	-	1,973
Office Clearing	674	-	674	-
One Act Plays	3,710	3,696	7,406	-
PG	3,288	-	-	3,288
PG 6 2012	3,812	-	-	3,812
PG 2014	3,604	55,071	46,053	12,622
PG 2015	1,150	2,310	125	3,335
PG 2016	2,675	750	-	3,425
Photography	746	840	1,112	474
Postage	118	3,078	3,196	-
Principal's Contingency	2,060	24,424	13,975	12,509
Project Graduation - 2007	1,066	-	1,066	-
Project Graduation - 2013	8,125	-	7,814	311
PTSO	2,274	1,912	2,949	1,237
Quebec Trip	2,260	-	1,257	1,003
RSVP	198	-	198	-
Recycling Service Project	-	490	-	490
Scholarships	230	4,637	950	3,917
Science	67	284	40	311
Science Olympiad	603	-	30	573
Service Club	330	-	330	-
Social Planning Board	717	-	717	-
Social Studies	119	18	-	137
Staff Wellness Initiative	-	2,000	1,020	980
Student Council	450	-	53	397
Student Services	505	14,835	14,065	1,275
Student Tech Team	138	-	-	138
Summer School	7,512	1,450	4,975	3,987
Sunshine Fund	110	313	179	244
TATMAC	442	-	442	-
Tech Club	55	-	55	-
Thomas Boat Grant	-	500	469	31
Thomas Max Scholarship	150	-	-	150
Videography	111	45	-	156
World Affairs Massey	840	-	265	575
Yearbook	13,637	24,212	34,682	3,167
Sub-total	<u>64,026</u>	<u>140,865</u>	<u>144,318</u>	<u>60,573</u>
Grand Total	<u><u>\$ 195,099</u></u>	<u><u>\$ 295,889</u></u>	<u><u>\$ 317,433</u></u>	<u><u>\$ 173,555</u></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, 2014

	<u>Balance</u> <u>6/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>6/30/2014</u>
Acadia	\$ 1,570	\$ -	\$ 1,570	\$ -
Athletics	147	131	56	222
Band	190	-	-	190
Band-Students	-	347	347	-
Class 2013	4,967	-	4,967	-
Class 2014	2,174	-	350	1,824
Class 2015	20	4,328	3,556	792
Class 2016	-	19,505	19,172	333
Coffee Fund	103	1,211	1,314	-
Drama	816	6,807	4,513	3,110
Experiential Learning	115	-	-	115
Fab Friday	725	8,562	7,623	1,664
Favreau-Technology	908	1,650	954	1,604
Gardening Club	899	74	554	419
General Fund	8,103	8,840	10,629	6,314
GT	-	943	-	943
Guidance	536	271	45	762
Health Wellness	-	2,000	-	2,000
JMG	575	1,258	991	842
Latham Grant	277	-	-	277
Lets Go Grant	38	-	-	38
Library	184	2,691	2,485	390
Magazine Drive	-	8,042	6,201	1,841
Mrs. Pritchard's Class	52	-	-	52
Musical Performances	3,519	3,712	1,398	5,833
OM-DI	407	50	50	407
Parent Team	2,991	5,563	3,512	5,042
Peer Helpers	118	-	-	118
Postage	2,794	1,020	1,074	2,740
Project Adventure	1,134	5,000	-	6,134
Puffin Fund	1,359	880	1,442	797
Robotics Grant	222	-	-	222
Lisa Roney	100	-	-	100
Scholarship Fund	916	2,700	2,042	1,574
Science-O'Brien	750	-	-	750
Space Camp	7,765	31,594	38,996	363
Sports Boosters	3,699	3,687	2,290	5,096
Sunshine Fund	116	148	90	174
Touch Tank	11	-	-	11
Travel Club	975	29,634	30,207	402
Yearbook	244	1,766	1,323	687
	<u>\$ 49,519</u>	<u>\$ 152,414</u>	<u>\$ 147,751</u>	<u>\$ 54,182</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, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
Coffee	\$ 21	\$ 2,972	\$ 2,974	\$ 19
Computer	127	-	-	127
Dance	1,392	916	1,370	938
Drama	1,017	1,555	1,069	1,503
ExxonMobil	5,004	-	4,634	370
Field Work	2,834	-	-	2,834
Garden	1,197	500	656	1,041
General School	86	3,390	3,269	207
Grade 8	494	3,120	3,127	487
Jeans Day	144	130	273	1
JMG	102	429	323	208
Library	559	107	-	666
Music	1,001	1,388	1,232	1,157
Outing Club	488	1,543	1,526	505
PTA	-	2,253	2,844	(591)
Reimbursement	101	3,320	3,160	261
Sports Gate	2,065	-	857	1,208
Student Council	732	290	117	905
Sunshine Fund	234	50	284	-
Telecommunications	4,880	-	339	4,541
Trips	11,820	8,634	5,725	14,729
T-Shirts	335	-	335	-
Yearbook	740	1,786	30	2,496
	<u>\$ 35,373</u>	<u>\$ 32,383</u>	<u>\$ 34,144</u>	<u>\$ 33,612</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, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
Anthem La Acct.	\$ 252	\$ -	\$ -	\$ 252
Art Funds	1,431	-	-	1,431
Assembly Fund	642	-	-	642
Book Foundation	673	-	350	323
Class Of 2013	363	1,740	1,777	327
Class Of 2014	179	-	-	179
Drama Account	1,270	188	465	993
Fun Account	2,101	271	1,114	1,259
Garden	59	-	20	39
General Account	1,805	2,146	2,757	1,193
Library Account	508	-	-	508
Postage Account	14	327	359	(18)
Rollerskating	7	-	7	-
Snacks	690	-	48	642
Soda Account	52	52	104	-
Summer Day Camp	369	-	-	369
Sunshine Card	189	249	237	201
Technology A	207	-	-	207
Youth Soccer	278	420	182	516
Yearbook	421	-	-	421
Wellness	-	2,500	499	2,001
	<u>\$ 11,510</u>	<u>\$ 7,893</u>	<u>\$ 7,918</u>	<u>\$ 11,485</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, 2014

	<u>Balance</u> <u>06/30/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/14</u>
Bradley Foundation	\$ -	\$ 3,704	\$ 592	\$ 3,112
Fuel Up to Play 60	314	2,000	831	1,483
Guidance	221	-	-	221
Library	844	1,078	1,183	739
Music/Art	(44)	1,989	1,810	135
Office	7,182	5,965	10,958	2,188
PTC	4,977	60,801	47,173	18,605
School Store	121	173	156	138
Spring Hill	-	1,000	993	7
Wellness Program	120	256	256	120
	<u>\$ 13,735</u>	<u>\$ 76,965</u>	<u>\$ 63,951</u>	<u>\$ 26,749</u>