

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



JUNE 30, 2017

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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, 2017, 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

Regional School Unit No. 5's 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, 2017, 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, the budgetary comparison schedule, and the pension schedules on pages 3 - 10 and 35 - 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 5's basic financial statements. Schedules 4 through 11 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 4 through 11 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, Schedules 4 through 11 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 6, 2017, 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.



Berry Talbot Royer  
Certified Public Accountants  
Falmouth, Maine  
December 6, 2017



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

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

**Year Ended June 30, 2017**

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, 2017. 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 \$18,186,933.
- Capital assets of the RSU, net of depreciation, totaling \$40,443,930.

**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 \$18,186,933 for the fiscal year ended June 30, 2017.

Table 1  
Fiscal Year Ended June 30, 2017  
Statement of Net Position

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 10,773,490	\$ 14,199,242
Capital assets	40,443,930	34,043,799
Total assets	<u>51,217,420</u>	<u>48,243,041</u>
Deferred outflows of resources	<u>565,089</u>	<u>640,916</u>
Current and long-term liabilities	<u>33,533,518</u>	<u>34,771,784</u>
Deferred inflows of resources	<u>62,058</u>	<u>107,999</u>
Net position		
Investment in capital assets	12,251,057	10,345,611
Restricted	3,568,777	27,792
Unrestricted	<u>2,367,099</u>	<u>3,630,771</u>
Total net position	<u>\$ 18,186,933</u>	<u>\$ 14,004,174</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 2017 net book value of fixed assets (capital assets, net of depreciation) by asset class.

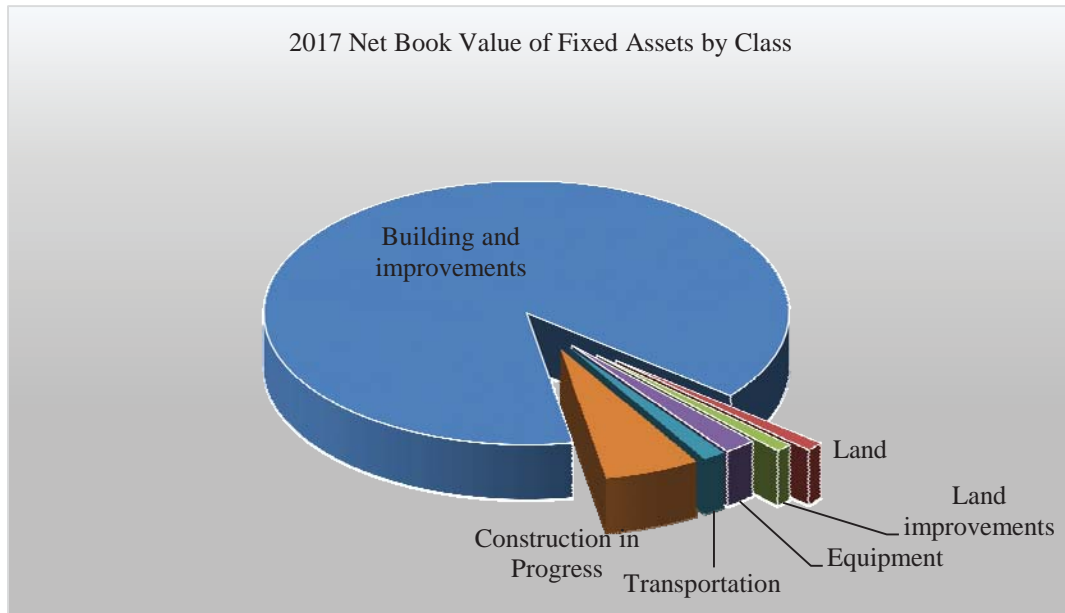


Chart A – Net Book Value of Fixed Asset Classes

Table 2 presents a summary of the RSU's changes in net position for the fiscal year ended June 30, 2017.

Table 2  
Fiscal Year ended June 30, 2017  
Changes in Net Position

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2,016</b>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 1,170,220	\$ 1,190,066
Operating grants and contributions	4,611,689	2,408,264
<i>General revenues:</i>		
Town assessments	23,998,023	23,732,886
Subsidies	5,931,162	5,664,650
Interest earned	41,303	18,782
Miscellaneous	137,308	143,078
<b>Total revenues</b>	<b>35,889,705</b>	<b>33,157,726</b>
<b>Expenses</b>		
Student and staff support	2,845,868	2,625,379
School administration	1,457,205	1,361,759
Facilities maintenance	3,894,674	3,248,224
Career and technical education	542,110	512,000
Crossing guards	941	1,022
Regular instruction	12,338,889	11,592,163
Other instruction	730,219	657,084
System administration	738,454	698,299
Transportation services	1,193,894	1,437,322
Debt service	522,955	446,147
Special education services	4,367,531	4,226,931
Capital improvement and fuel expenses	-	-
Adult education	155,757	157,568
Community education	614,408	708,069
Program expenditures	839,822	812,781
On-behalf payments	1,465,223	1,451,254
<b>Total expenses</b>	<b>31,707,950</b>	<b>29,936,002</b>
 Increase (Decrease) in Net Position	 <b>\$ 4,181,755</b>	 <b>\$ 3,221,724</b>



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

Table 3  
Fiscal Year ended June 30, 2017  
Net Cost of Governmental Activities

<b>Function/Program:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction and support	\$ 20,824,617	\$ (19,959,440)
Transportation	1,193,894	(1,193,894)
Facilities maintenance	3,894,674	(3,894,674)
Administration	2,195,659	(2,195,659)
Debt service	522,955	(522,955)
Capital Improvement and Fuel Expenses	-	2,147,033
Other	3,076,151	(306,452)
<b>Total governmental activities</b>	<b>\$ 31,707,950</b>	<b>\$ (25,926,041)</b>

**General Fund Revenues Budget to Actual Summary**

<b>Revenues:</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Town assessments	\$ 23,998,023	\$ 23,998,023	\$ -
Intergovernmental	5,992,159	6,109,939	117,780
Charges for Services	100,056	44,845	(55,211)
Other	117,391	148,391	31,000
	<b>\$ 30,207,629</b>	<b>\$ 30,301,198</b>	<b>\$ 93,569</b>

The following chart depicts program revenues by source.

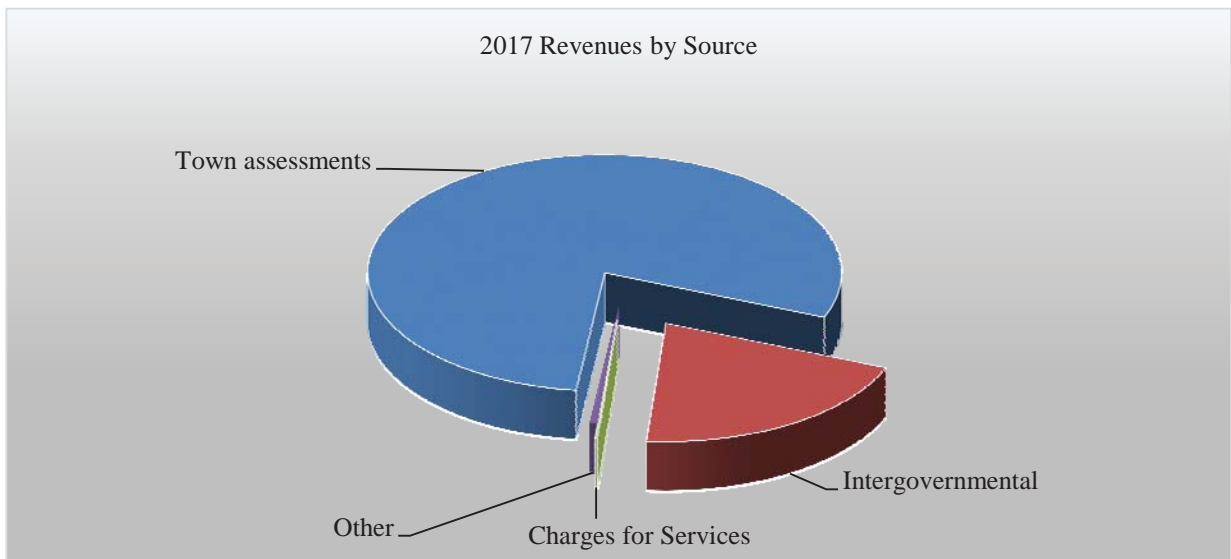


Chart B – Revenues by Source

**General Fund Expenditures Budget to Actual Summary**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Expenditures:</b>			
Student and staff support	\$ 2,884,814	\$ 2,838,363	\$ 46,451
School administration	1,466,738	1,464,256	2,482
Facilities maintenance	5,451,454	5,379,904	71,550
Crossing guard	542,111	542,110	1
Career and technical education	1,400	941	459
Regular instruction	11,688,185	11,668,072	20,113
Other instruction	738,862	728,906	9,956
System administration	764,704	736,759	27,945
Transportation services	1,462,706	1,449,789	12,917
Debt service	1,671,693	1,671,693	-
Special education services	4,010,776	3,994,089	16,687
Capital Improvement and Fuel Expenses	20,705	20,705	-
Adult education	244,957	194,759	50,198
	<u>\$ 30,949,105</u>	<u>\$ 30,690,346</u>	<u>\$ 258,759</u>

Chart C graphically depicts expenditures by function.

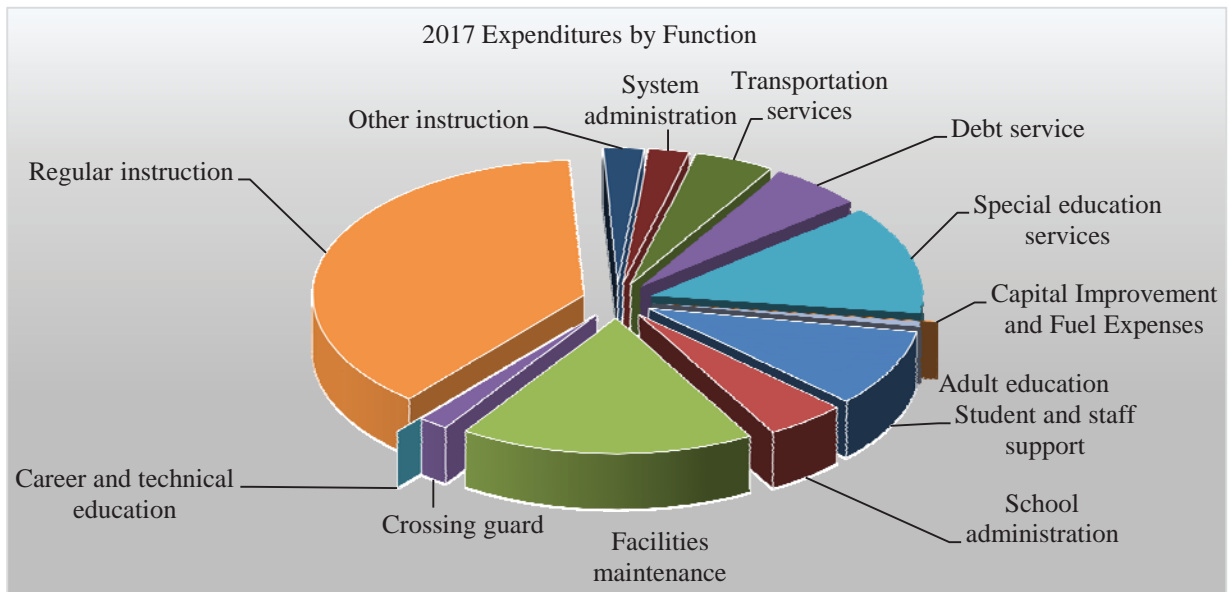


Chart C – Expenditures by Function

**FINANCIAL ANALYSIS OF THE RSU'S FUNDS**

As of June 30, 2017, the RSU's governmental funds balance totaled \$7,429,285.

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, 2017, the RSU had \$40,443,930 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4  
Governmental Activities Capital Assets  
(Net of Depreciation)

	2017	2016
Land	\$ 447,285	\$ 447,285
Land improvements	409,818	384,185
Building and building improvements	35,836,982	24,941,983
Equipment and vehicles	1,374,115	1,430,528
Construction in progress	2,375,730	6,839,818
	\$ 40,443,930	\$ 34,043,799

## DEBT ADMINISTRATION

At the end of the year RSU had a total of \$27,976,653 of general obligation long-term debt. In addition, the capital lease purchase obligations for copiers totaled \$27,480.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2017.

Table 5  
Fiscal Year Ended June 30, 2017  
General Long Term Debt and Lease Obligations

	General Long-term Debt and Lease Obligations	
	2017	2016
Debt payable at July 1	\$ 30,314,565	\$ 18,992,732
Debt additions	42,105	12,894,278
Debt retired	(2,352,537)	(1,572,445)
Debt payable at June 30	\$ 28,004,133	\$ 30,314,565

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

Administration, staff, and the Board worked creatively to create a responsible operating budget for the 2017-2018 school year. The increase over the previous year's budget was \$1,302,013. The 2017-2018 budget includes the increase in early intervention classes (PreK), increase to district-wide all-day Kindergarten, additional Math intervention, technology equipment, and professional development throughout the district. Local assessments for the approved 2017-2018 budget are broken down as follows: Durham \$4,957,199; Freeport \$17,355,332; and Pownal \$2,819,449.

Construction on additions, renovations, and improvements to the Freeport High School building, grounds and facilities that were approved by voters on November 5, 2013 are coming to a close. The contractor is currently working on punch list items and expects to be completed by the end of the December school break. The new addition opened in January of 2017 and the renovations to the existing building were completed August of 2017. On January 20, 2017 the voters of RSU5 approved a referendum for a track and turf field project at Freeport High School. Members of the Tri Town Track and Field group have fundraised approximately \$2,300,000 for the \$4,100,000 project. Construction of the new track and turf field began in May 2017. The contractors will be coming back in June of 2018 to put the final coat on the track, at which time the full scope of the track and turf field project will be complete.

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

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

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash/investments	\$ 10,380,042
Cash held by third party	56,070
Accounts receivable	307,283
Inventories	29,956
Due from fiduciary funds	139
Capital assets:	
Land	447,285
Construction in progress	2,375,730
Other capital assets, net of depreciation	<u>37,620,915</u>
Total capital assets	<u>40,443,930</u>
<b>TOTAL ASSETS</b>	<u><b>51,217,420</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	565,089
<b>LIABILITIES:</b>	
Accounts payable	1,225,368
Accrued salaries and benefits	2,118,836
Current portion of long-term debt, (including current portion of bond premiums of \$106,916)	<u>2,286,630</u>
Total current liabilities	<u>5,630,834</u>
Long-term liabilities	
Compensated absences payable	870,468
Accrued interest	185,388
Long-term debt, (including long-term portion of bond premiums of \$821,330)	26,645,749
Net pension liability	<u>201,079</u>
Total non-current liabilities	<u>27,902,684</u>
<b>TOTAL LIABILITIES</b>	<u><b>33,533,518</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	62,058
<b>NET POSITION:</b>	
Net investment in capital assets	12,251,057
Restricted	3,568,777
Unrestricted	<u>2,367,099</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 18,186,933</b></u>

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Activities</u>
<b>FUNCTIONS</b>				
<b>Primary government</b>				
Governmental activities				
Student and staff support	\$ 2,845,868	\$ -	\$ -	\$ (2,845,868)
School administration	1,457,205	-	-	(1,457,205)
Facilities maintenance	3,894,674	-	-	(3,894,674)
Career and technical education	542,110	-	-	(542,110)
Crossing guards	941	-	-	(941)
Regular instruction	12,338,889	129,605	333,415	(11,875,869)
Other instruction	730,219	-	-	(730,219)
System administration	738,454	-	-	(738,454)
Transportation services	1,193,894	-	-	(1,193,894)
Debt service	522,955	-	-	(522,955)
Special education services	4,367,531	42,510	359,647	(3,965,374)
Adult education	155,757	-	44,901	(110,856)
Capital Improvements and Fuel Expenses	-	-	2,147,033	2,147,033
Community education	614,408	673,634	-	59,226
Program expenditures	839,822	324,471	261,470	(253,881)
MainePERS on-behalf payments	1,465,223	-	1,465,223	-
Total governmental activities	<u>31,707,950</u>	<u>1,170,220</u>	<u>4,611,689</u>	<u>(25,926,041)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 31,707,950</u>	<u>\$ 1,170,220</u>	<u>\$ 4,611,689</u>	

## General revenues and special items:

## Taxes:

Local assessments - K - 12	23,898,023
Local assessments - adult education	100,000
State allocation	5,931,162
Investment earnings	41,303
Miscellaneous	137,308
	<u>30,107,796</u>
Change in net position	4,181,755
<b>Net Position - July 1, 2016</b>	<u>14,005,178</u>
<b>Net Position - June 30, 2017</b>	<u>\$ 18,186,933</u>

**REGIONAL SCHOOL UNIT NO. 5**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>General Fund</u>	<u>High School Renovation Project</u>	<u>Tri-Town Track &amp; Field Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash/investments	\$ 3,175,241	\$ 5,376,001	\$ -	\$ 1,828,801	\$ 10,380,043
Cash held by third party	56,070	-	-	-	56,070
Accounts receivable	43,141	-	-	264,143	307,284
Due from other funds	4,587,388	-	2,131,480	191,773	6,910,641
Inventories	-	-	-	29,956	29,956
<b>TOTAL ASSETS</b>	<u>\$ 7,861,840</u>	<u>\$ 5,376,001</u>	<u>\$ 2,131,480</u>	<u>\$ 2,314,673</u>	<u>\$ 17,683,994</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 268,469	\$ 892,460	\$ -	\$ 64,442	\$ 1,225,371
Accrued salaries and benefits	2,090,870	-	-	27,966	2,118,836
Due to other funds	<u>2,323,254</u>	<u>2,597,120</u>	<u>-</u>	<u>1,990,128</u>	<u>6,910,502</u>
Total liabilities	<u>4,682,593</u>	<u>3,489,580</u>	<u>-</u>	<u>2,082,536</u>	<u>10,254,709</u>
Fund balances:					
Nonspendable	-	-	-	29,956	29,956
Restricted for:					
Special revenues	-	-	-	475,769	475,769
Capital projects funds	-	1,886,421	2,131,480	-	4,017,901
Committed for:					
Capital improvements and fuel oil expenditures	1,144,175	-	-	-	1,144,175
Assigned for:					
Use of fund balance	1,175,801	-	-	-	1,175,801
Unassigned (deficit)	<u>859,271</u>	<u>-</u>	<u>-</u>	<u>(273,588)</u>	<u>585,683</u>
Total fund balances	<u>3,179,247</u>	<u>1,886,421</u>	<u>2,131,480</u>	<u>232,137</u>	<u>7,429,285</u>
<b>TOTAL LIABILITIES AND FUND BALANCES:</b>	<u>\$ 7,861,840</u>	<u>\$ 5,376,001</u>	<u>\$ 2,131,480</u>	<u>\$ 2,314,673</u>	<u>\$ 17,683,994</u>

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



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

<b>Net change in fund balances - total governmental funds (from Statement 3)</b>		<b>\$ 7,429,285</b>
<p>Amounts reported for governmental activities in the Statement of Net Position (Statement 1) are different because (see Note 2 of Notes to the Required Supplementary Information, also):</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		40,443,930
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds payable	\$ (27,976,653)	
Bond premiums	(928,245)	
Capital leases payable	(27,480)	
Compensated absences payable	(870,468)	
Accrued interest	<u>(185,388)</u>	(29,988,234)
<p>Adjustments related to pensions</p>		
Unamortized deferred outflows of resources - pensions	565,089	
Unamortized deferred inflows of resources - pensions	(62,058)	
Net pension liability	<u>(201,079)</u>	<u>301,952</u>
<b>Net position of governmental activities (see Statement 1)</b>		<b><u>\$ 18,186,933</u></b>

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	High School Renovation Project	Tri-Town Track & Field Project	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Local assessments	\$ 23,998,023	\$ -	\$ -	\$ -	\$ 23,998,023
Intergovernmental	6,109,939	-	-	939,854	7,049,793
Charges for services	-	-	-	1,035,500	1,035,500
Interest earned	11,082	30,220	-	-	41,302
Intergovernmental on-behalf payments	1,465,223	-	-	-	1,465,223
Donations	-	-	2,147,033	-	2,147,033
Miscellaneous	137,309	-	-	14,705	152,014
Total revenues	<u>31,721,576</u>	<u>30,220</u>	<u>2,147,033</u>	<u>1,990,059</u>	<u>35,888,888</u>
<b>EXPENDITURES:</b>					
Student and staff support	2,880,468	-	-	-	2,880,468
School administration	1,464,256	-	-	-	1,464,256
Facilities maintenance	5,379,904	-	-	-	5,379,904
Career and technical education	542,110	-	-	-	542,110
Crossing guard	941	-	-	-	941
Regular instruction	11,668,072	-	-	372,091	12,040,163
Other instruction	728,906	-	-	-	728,906
System administration	736,759	-	-	-	736,759
Transportation services	1,449,789	-	-	-	1,449,789
Debt service	1,671,693	-	-	-	1,671,693
Special education services	3,994,089	-	-	359,647	4,353,736
Adult education	155,757	-	-	-	155,757
Capital Improvements and Fuel Expenses	20,705	5,967,695	15,553	-	6,003,953
Program expenditures	-	-	-	1,452,108	1,452,108
Maine state retirement on-behalf payments	1,465,223	-	-	-	1,465,223
Total expenditures	<u>32,158,672</u>	<u>5,967,695</u>	<u>15,553</u>	<u>2,183,846</u>	<u>40,325,766</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(437,096)	(5,937,475)	2,131,480	(193,787)	(4,436,878)
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond and capital lease proceeds	42,105	-	-	-	42,105
Transfers in (out)	(214,374)	-	-	214,374	-
	(172,269)	-	-	214,374	42,105
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(609,365)	(5,937,475)	2,131,480	20,587	(4,394,773)
<b>FUND BALANCES - JULY 1, 2016</b>	<u>3,788,612</u>	<u>7,823,896</u>	<u>-</u>	<u>211,550</u>	<u>11,824,058</u>
<b>FUND BALANCES - JUNE 30, 2017</b>	<u>\$ 3,179,247</u>	<u>\$ 1,886,421</u>	<u>\$ 2,131,480</u>	<u>\$ 232,137</u>	<u>\$ 7,429,285</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, 2017**

**Net change in fund balances - total governmental funds** (from Statement 5) \$ (4,394,773)

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because (see Note 2 in Notes to the Required Supplementary Information, 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 capital additions exceeded depreciation in the current period:

Capital additions	\$ 7,555,978	
Depreciation	<u>(1,155,847)</u>	6,400,131

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

Capital lease proceeds	(42,105)	
Capital lease repayments	197,303	
Long-term debt repayment	<u>2,155,234</u>	2,310,432

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

Change in accrued compensated absences	(197,010)	
Change in deferred bond premiums	114,262	
Change in accrued interest	13,624	
District pension contribution	485,260	
Cost of benefits earned net of employee contributions	<u>(550,171)</u>	<u>(134,035)</u>

**Change in net position of governmental activities** (see Statement 2) \$ 4,181,755

**REGIONAL SCHOOL UNIT NO. 5**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Agency Funds</b>
<b>ASSETS:</b>	
Cash/investments	\$ 332,369
 <b>LIABILITIES:</b>	
Due to other funds	139
Due to other groups	332,230
	332,369
 <b>NET POSITION:</b>	
Held in trust for other purposes	\$ -

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**The Reporting Entity**

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

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

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

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

**Basis of Presentation**

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Measurement Focus and Basis of Accounting**

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**Fund Accounting**

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

The following funds are used by RSU #5:

*Governmental Funds:*

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

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

*Special Revenue Funds* are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

*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 High School Renovation Project and the Tri-Town Track and Field Project are major capital projects funds. Each fund is used to account for activity that is related to the specific project.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

*Private-purpose 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. These funds are not incorporated into the government-wide 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. Deposits can only be made in financial institutions insured by the FDIC. RSU #5's policy authorizes investments in obligations of the U. S. Treasury and U. S. Agencies, repurchase agreements, certain certificates of deposit, and certain money market funds. RSU #5 invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments are reported at fair value except for money market investments that have a remaining maturity at time of purchase of one year or less stated at amortized cost.

**Cash Held by Third Parties**

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

**Receivables**

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

**Inventories**

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

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

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds based on the percentage of the each year's interest expense to the total interest expense.

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. RSU #5 has deferred outflows of resources of \$565,089 related to a pension obligation as of June 30, 2017.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. RSU #5 has deferred inflows of resources of \$62,058 related to a pension obligation as of June 30, 2017.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the MainePERS State Employee and Teacher Plan (the Plan), the Participating Local District Plan (PLD), and additions to/deductions from the Plan and PLD's fiduciary net position have been determined on the same basis as they are reported by the Plan and the PLD. The Plan and PLD's net pension liability, deferred inflows of resources and deferred outflows of resources related to pensions were measured at June 30, 2016, the latest measurement data available.

**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	\$ 48,206,603
Accumulated depreciation	(7,762,673)
Bonds, notes, and leases payable	(27,145,548)
Accrued interest	(179,736)
Accrued bond premiums	<u>(867,589)</u>
Net investment in capital assets	<u>\$ 12,251,057</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.



**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Net Position and Fund Equity Classifications (Continued)**

*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.

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

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

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

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

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

**Interfund Transactions**

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

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

**Compensated Absences**

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

**Estimates**

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017, RSU #5 reported deposits of \$10,712,412 with a bank balance of \$11,108,315. Of RSU #5's bank balances, \$3,520,408 was covered by FDIC insurance and \$7,587,907 was exposed to custodial credit risk. \$4,700,000 of the balance exposed to custodial credit risk was collateralized by government securities held by the pledging bank, but not in RSU#5's name and the balance of \$2,887,907 was uninsured and uncollateralized. The majority of the uninsured and uncollateralized balance is for capital projects that will be completed by the spring of 2018.

**Cash Held by Third Parties**

RSU #5 owns assets held by Maine School Management Association. These amounts are invested by the custodians in money market accounts or similar very low risk investment vehicles that invest in US government obligations. Management believes the custodial credit risk of these assets to be low. As of June 30, 2017, the carrying value of amounts held by the MSMA Unemployment Compensation Trust Fund was \$56,070. Carrying value approximates fair value. None of the underlying securities are in RSU #5's name.

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

Individual interfund receivables and payable balances at June 30, 2017 were as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ 4,587,388	\$ 2,323,254
High school renovation project	-	2,597,120
Nonmajor special revenue	191,773	1,990,128
Nonmajor capital project	2,131,480	-
Agency funds	-	139
	\$ 6,910,641	\$ 6,910,641

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.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)**

**Transfers**

Interfund transfers for the year ended June 30, 2017 consisted of the following:

	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ -	\$ 214,374
Nonmajor special revenue	214,374	-
	\$ 214,374	\$ 214,374

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

**NOTE 4: CAPITAL ASSETS**

Capital asset activity during the fiscal year:

	<b>Balance 6/30/2016</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 6/30/2017</b>
Capital assets not being depreciated				
Land	\$ 447,285	\$ -	\$ -	\$ 447,285
Construction in progress	6,839,818	(4,464,088)	-	2,375,730
Total capital assets not being depreciated	7,287,103	(4,464,088)	-	2,823,015
Capital assets being depreciated				
Land improvements	454,453	48,655	-	503,108
Buildings and improvements	30,243,628	11,801,735	-	42,045,363
Transportation	1,083,371	98,097	-	1,181,468
Equipment	1,582,070	71,579	-	1,653,649
Total capital assets being depreciated	33,363,522	12,020,066	-	45,383,588
Total capital assets	40,650,625	7,555,978	-	48,206,603
Less: Accumulated depreciation				
Land improvements	70,268	23,022	-	93,290
Buildings and improvements	5,301,645	906,736	-	6,208,381
Transportation	512,617	99,873	-	612,490
Equipment	722,296	126,216	-	848,512
Total accumulated depreciation	6,606,826	1,155,847	-	7,762,673
Total net capital assets	\$ 34,043,799	\$ 6,400,131	\$ -	\$ 40,443,930

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4: CAPITAL ASSETS (Continued)**

Depreciation was charged to functions as follows:

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 940,016
Transportation	97,361
School lunch	7,954
Instructions	108,821
Administration	<u>1,695</u>
Total depreciation	<u>\$ 1,155,847</u>

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Instruction	<u>\$ 82,468</u>	<u>\$ 31,613</u>

**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, 2017:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Bonds and notes payable					
General obligation bonds	\$ 30,131,887	\$ -	\$ (2,155,234)	\$ 27,976,653	\$ 2,152,234
Capital leases payable	<u>182,678</u>	<u>42,105</u>	<u>(197,303)</u>	<u>27,480</u>	<u>27,480</u>
Total bonds and notes payable	30,314,565	42,105	(2,352,537)	28,004,133	2,179,714
Compensated absences	<u>673,458</u>	<u>197,010</u>	<u>-</u>	<u>870,468</u>	<u>-</u>
	<u>\$ 30,988,023</u>	<u>\$ 239,115</u>	<u>\$ (2,352,537)</u>	<u>\$ 28,874,601</u>	<u>\$ 2,179,714</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Long-Term Debt Obligations**

General long-term debt payable consists of the following:

<i>Town of Freeport</i> 2008 General Obligation Bond-Freeport High School Heating; maturing on 7/15/2017; annual principal payments of \$55,000; interest rate of 2.92%; authorized and issued \$570,000.	\$ 55,000
<i>Town of Freeport</i> 2011 General Obligation Refunding Bond - Middle School; maturing on 11/15/2022; annual principal payments of \$144,432 - \$147,955; variable interest rate between 4% and 5%; original authorized and issued \$3,285,000.	577,727
<i>Town of Freeport</i> 2011 General Obligation Refunding Bond - High School; maturing on 11/15/2022; annual principal payments of \$215,000 - \$220,000; variable interest rate between 4% and 5%; original authorized and issued \$4,491,000.	1,315,000
<i>Town of Freeport</i> 2011 General Obligation Refunding Bond - Admin Office; maturing on 11/15/2022; annual principal payments of \$11,250 - \$12,500; variable interest rate between 4% and 5%; original authorized and issued \$250,000.	60,000
<i>Maine Municipal Bond Bank</i> 2003 Durham Roof; maturing on 11/1/2018; annual principal payments of \$40,000; variable interest rate between 2.08% and 4.23%; authorized and issued \$600,000.	80,000
<i>Maine Municipal Bond Bank</i> 2009 Durham New Building; maturing on 11/1/2029; annual principal payments of \$108,835; variable interest rate from 2.08% to 5.58%; authorized and issued \$2,176,696.	1,414,855
<i>Maine Municipal Bond Bank</i> 2009 Series C Durham Elementary New Building; maturing on 8/27/2029; annual principal payments of \$886,467; interest rate of 3.78%; authorized and issued \$17,729,348.	11,524,071
<i>US Bank</i> 2015 General Obligation Bond-Freeport High School Renovation Project; maturing on November 1, 2035; annual principal payments of \$680,000; variable interest rate between 2.50% and 5.00%; authorized \$14,638,009 and issued \$13,638,000.	12,950,000
	<u>\$ 27,976,653</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017 is as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>June 30</b>			
2018	\$ 2,152,234	\$ 1,062,306	\$ 3,214,540
2019	2,097,234	982,975	3,080,209
2020	2,057,234	905,435	2,962,669
2021	2,055,983	818,375	2,874,358
2022	1,911,552	717,539	2,629,091
2023-2027	8,596,510	2,479,565	11,076,075
2028-2032	6,385,906	927,412	7,313,318
2033-2036	2,720,000	174,420	2,894,420
	<u>\$ 27,976,653</u>	<u>\$ 8,068,027</u>	<u>\$ 36,044,680</u>

Interest expense was \$1,143,475 for the year.

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

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, 2017.

**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, 2017, are as follows:

	<b>Year Ending</b>	<b>Amount</b>
	<b>June 30,</b>	
Total minimum lease payments	2018	28,357
Amount representing interest		<u>(877)</u>
Present value of net minimum lease payments		27,480
Current maturities of capital lease obligations		<u>(27,480)</u>
Long-term capital lease obligations		<u>\$ -</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7: CONTINGENT LIABILITIES**

**Grant Funds**

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

**Litigation**

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

**NOTE 8: OTHER DISCLOSURES**

**Risk Management**

RSU #5 is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which RSU #5 either carries commercial insurance, or participates in a public entity risk pool. Currently, RSU #5 participates in several public entity risk pools sponsored by the Maine School Management Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, RSU #5 is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017. 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, 2017.

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

*Plan Description*

The MainePERS State Employee and Teacher Plan (the Plan) is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2016 there were 236 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

The Participating Local District (PLD) Plan is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2016 there were 283 employers in the plan.

The plans are administered by the Maine Public Employees Retirement System (MainePERS)

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

*Pension Benefits*

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. MainePERS's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions.

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

*Member and Employer Contributions*

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

*Financial Reporting*

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

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

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

The net pension liability, deferred inflows of resources and deferred outflows of resources related to pensions were measured at June 30, 2016, the latest measurement date available, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. These amounts are reported on the RSU's financial statements as of June 30, 2017. The RSU's deferred outflows of resources related to pensions balance, as of the measurement date, was increased by contributions to pensions made in the current fiscal year. These amounts were adjusted accordingly as reductions to expenses in the Statement of Activities.



**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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

RSU #5's proportionate share of the net pension liability		\$ 142,835
State's proportionate share of the net pension liability associated with RSU #5		<u>20,689,663</u>
Total		<u>\$ 20,832,498</u>

The RSU's proportion of the net pension liability was based on a projection of the RSU's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, for the SET plan, the RSU's proportion was 0.008086%, which was a decrease of 0.001507% from its proportion measured as of June 30, 2015. At June 30, 2016, for the PLD plan, the District's proportion was 0.010962%, which was a decrease of 0.000236% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the RSU recognized pension expense of \$1,530,132 and revenue of \$1,465,223 for support provided by the State related to the SET plan, resulting in a net pension expense of \$64,909. At June 30, 2017, the RSU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SET Plan		PLD Plan		Net of Both Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,762	\$ 270	\$ 706	\$ 3,747	\$ 3,468	\$ 4,017
Change of assumptions		3,668	6,244	-	6,244	3,668
Net difference between projected and actual earnings on pension plan investments	45,611	18,689	21,523	8,958	67,134	27,647
Changes in proportion and differences between employer contributions and proportionate share of contributions	(1)	21,522	2,984	5,204	2,983	26,726
RSU #5's contributions subsequent to the measurement date	<u>485,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>485,260</u>	<u>-</u>
Total	<u>\$ 533,632</u>	<u>\$ 44,149</u>	<u>\$ 31,457</u>	<u>\$ 17,909</u>	<u>\$ 565,089</u>	<u>\$ 62,058</u>

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

RSU contributions to the Plan subsequent to the measurement date, totaling \$485,260, are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan	PLD Plan	Total
Fiscal year 2018	\$ (11,790)	\$ 3,453	\$ (8,337)
Fiscal year 2019	(3,905)	(238)	(4,143)
Fiscal year 2020	12,846	6,979	19,825
Fiscal year 2021	7,072	3,357	10,429
Total	\$ 4,223	\$ 13,551	\$ 17,774

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2016 and 2015, using the following methods and assumptions applied to all periods included in the measurement.

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

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

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

*Asset Valuation Method*

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

*Amortization*

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

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Actuarial Methods and Assumptions (Continued)**

*Amortization (continued)*

Significant actuarial assumptions employed by the actuary for funding purposes, as of June 30, 2016, and June 30, 2015, are as follows:

*Investment Rate of Return* - For both Plans, 6.875% per annum, compounded (2016); 7.125% (2015)

*Inflation Rate* - For both Plans, 2.75% (2016); 3.50% (2015)

*Salary Increases, Merit and Inflation* - State employees, 2.75% to 8.75% (2016); Teachers, 2.75% to 14.50% (2016); State employees, 3.50% to 10.50% (2015); Teachers, 3.50% to 13.50% (2015); members of the consolidated plan for PLDs, 2.75% to 9.00% (2016); 3.50% to 9.50% (2015).

*Cost of Living Benefit Increases* – 2.20% (2016); 2.55% (2015)

*Mortality Rates* – For 2016: For active employee members and non-disabled retirees of the Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Table, for males and females, is used. For 2015: For active members and non-disabled retirees of the Plans, the RP2000 Tables projected forward to 2015 using Scale AA are used; for active members and non-disabled retirees of the teachers' plan, the ages are set back two years .

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

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Actuarial Methods and Assumptions (Continued)**

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.875% for 2016 for each of the plans and 7.125% for 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the RSU's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the RSU's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate.

	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
SET Plan:			
RSU #5's proportionate share of the net pension liability	\$ 228,714	\$ 142,835	\$ 71,254
PLD Plan			
Net pension liability	<u>96,675</u>	<u>58,244</u>	<u>22,063</u>
Total	<u>\$ 325,389</u>	<u>\$ 201,079</u>	<u>\$ 93,317</u>

*Pension Plan Fiduciary Net Position*

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

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 10: COMPONENTS OF FUND BALANCE**

As of June 30, 2017, 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	\$ -	\$ -	\$ 1,044,175	\$ -	\$ -
Fuel reserve	-	-	100,000	-	-
Use of fund balance	-	-	-	1,175,801	-
Unassigned	-	-	-	-	859,271
School lunch program	29,956	-	-	-	(273,588)
Other governmental funds:					
Special revenues					
Local entitlement grant	-	129	-	-	-
Getting to proficiency gra	-	20,337	-	-	-
Student aspirations	-	30,428	-	-	-
Donations	-	42,754	-	-	-
Laptop protection	-	27,763	-	-	-
SAMSHA	-	101	-	-	-
Mentoring	-	10,497	-	-	-
Dollars for scholars	-	1,879	-	-	-
Performing arts center	-	30,316	-	-	-
Adult education	-	30,658	-	-	-
Community education	-	280,907	-	-	-
Capital projects					
High school renovation p	-	1,886,421	-	-	-
Tri-Town track and field p	-	2,131,480	-	-	-
Total	<u>\$ 29,956</u>	<u>\$ 4,493,670</u>	<u>\$ 1,144,175</u>	<u>\$ 1,175,801</u>	<u>\$ 585,683</u>

**NOTE 11: DEFICIT FUND BALANCE**

RSU #5's Special Revenue School Lunch Program is carrying forward a fund deficit as of June 30, 2017. This deficit will be funded by future operations.

**NOTE 12: 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 13: SUBSEQUENT EVENTS**

In June 2017, the School Committee approved 8 lease-purchase agreements each for the purchase of a school bus with the Gorham Savings Leasing Group, for 3-year terms at a fixed rate of 3.0%. Total amount financed will be \$694,212.

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through December 6, 2017, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**REGIONAL SCHOOL UNIT NO. 5**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>				
Town assessments (includes adult education of \$100,000)	\$ 23,998,023	\$ 23,998,023	\$ 23,998,023	\$ -
State shared revenues:				
General	5,910,258	5,910,258	5,931,162	20,904
State agency client	32,000	32,000	91,366	59,366
Medicaid Reimbursement	5,000	5,000	42,510	37,510
Adult education subsidy	44,901	44,901	44,901	-
	<u>5,992,159</u>	<u>5,992,159</u>	<u>6,109,939</u>	<u>117,780</u>
Charges for Services - Adult Education	100,056	100,056	44,845	(55,211)
Other:				
Interest earnings	4,900	4,900	11,082	6,182
Miscellaneous	112,491	112,491	137,309	24,818
	<u>117,391</u>	<u>117,391</u>	<u>148,391</u>	<u>31,000</u>
<b>TOTAL REVENUES</b>	<u>30,207,629</u>	<u>30,207,629</u>	<u>30,301,198</u>	<u>93,569</u>
<b>EXPENDITURES-BY FUNCTIONS:</b>				
Student and staff support	3,034,814	2,884,814	2,838,363	46,451
School administration	1,501,738	1,466,738	1,464,256	2,482
Facilities maintenance	4,601,454	5,451,454	5,379,904	71,550
Career and technical education	542,107	542,111	542,110	1
Crossing guard	1,400	1,400	941	459
Regular instruction	12,088,185	11,688,185	11,668,072	20,113
Other instruction	738,862	738,862	728,906	9,956
System administration	784,704	764,704	736,759	27,945
Transportation services	1,522,706	1,462,706	1,449,789	12,917
Debt service	1,671,693	1,671,693	1,671,693	-
Special education services	4,195,780	4,010,776	3,994,089	16,687
Other outlays:				
Capital improvements and fuel expenses	20,705	20,705	20,705	-
Adult education	244,957	244,957	194,759	50,198
<b>TOTAL EXPENDITURES-BY FUNCTIONS</b>	<u>30,949,105</u>	<u>30,949,105</u>	<u>30,690,346</u>	<u>258,759</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(741,476)</u>	<u>(741,476)</u>	<u>(389,148)</u>	<u>352,328</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (741,476)	\$ (741,476)	\$ (389,148)	\$ 352,328
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out to school lunch program	<u>(225,229)</u>	<u>(225,229)</u>	<u>(225,229)</u>	<u>-</u>
<b>BUDGETARY SURPLUS (DEFICIT)</b>	<u>\$ (966,705)</u>	<u>\$ (966,705)</u>	<u>\$ (614,377)</u>	<u>\$ 352,328</u>
 <b>COMPONENTS OF THE SCHOOL'S BUDGETARY SURPLUS (DEFICIT)</b>				
Committed				
Capital improvement reserve	\$ (20,705)	\$ (20,705)	\$ 911,295	
Assigned				
Use of fund balance	(946,000)	(946,000)	229,801	
Unassigned	<u>-</u>	<u>-</u>	<u>(1,755,473)</u>	
	<u>\$ (966,705)</u>	<u>\$ (966,705)</u>	<u>\$ (614,377)</u>	



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

For the Fiscal Year Ended	RSU #5's		State's		RSU #5's		RSU #5's		Plan fiduciary net position as a percentage of the total pension liability
	proportion of the net pension liability	share of the net pension liability	proportionate share of the net pension liability associated with RSU #5	proportionate share of the net pension liability	covered- employee payroll	covered- employee payroll	proportionate share of the net pension liability as a percentage of its covered- employee payroll		
2016	0.008086%	\$ 142,835	\$ 20,689,663	\$ 20,832,498	\$ 13,846,467	\$ 13,846,467	1.03%	76.21%	
2015	0.009593%	129,517	14,471,579	14,601,096	12,399,394	12,399,394	1.04%	81.18%	
2014	0.011105%	119,971	11,739,600	11,859,571	12,360,183	12,360,183	0.97%	83.91%	
2013	0.017422%	276,984	5,204,320	5,481,304	11,528,980	11,528,980	2.40%	76.85%	

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

*See Notes to Required Supplementary Information.*

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

For the Fiscal Year Ended	Contractually required contributions	RSU #5's contributions in relation to the		RSU #5's contribution deficiency (excess)	RSU #5's covered- employee payroll	RSU #5's contributions as a percentage of its covered-employee payroll
		contractually required contributions	contractually required contributions			
<b>SET Plan:</b>						
2016	\$ 477,559	\$ 477,559	\$ -	\$ 13,846,467	3.45%	
2015	343,962	343,962	-	12,399,394	2.77%	
2014	341,412	341,412	-	12,360,183	2.76%	
2013	12,187	12,187	-	11,528,980	0.11%	
<b>PLD Plan:</b>						
2016	5,144	5,144	-	57,802	8.90%	
2015	4,577	4,577	-	58,682	7.80%	
2014	4,655	4,655	-	71,615	6.50%	
2013	3,059	3,059	-	57,711	5.30%	
<b>Total</b>						
2016	482,703	482,703	-	13,904,269	3.47%	
2015	348,539	348,539	-	12,458,076	2.80%	
2014	346,067	346,067	-	12,431,798	2.78%	
2013	15,246	15,246	-	11,586,691	0.13%	

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

*See Notes to Required Supplementary Information.*

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**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 \$1,465,223 made by the State of Maine on behalf of RSU #5. Since the amount has not been budgeted, there is a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America. The amount has been included as an intergovernmental revenue and expenditure in the General Fund on Statement 5. There is no effect on the fund balance at the end of the year.

Adult Education Enrichment revenues and expenditures have been reported on the budgetary basis statements but are reported as a special revenue fund on the GAAP statements. The transfer from Adult Education Enrichment to the Adult Education Program to cover the shortfall is reported on the GAAP statements but not on the budgetary basis statements.

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

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

**Revenues**

Total Revenues as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 30,301,198
Differences-budget to GAAP	
Adult Education Enrichment Programs	(44,845)
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,465,223</u>
Total Revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 31,721,576</u>

**Expenditures**

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 30,690,346
Differences-budget to GAAP	
Adult Education Enrichment Programs	(39,002)
Capital lease purchases	42,105
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,465,223</u>
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 32,158,672</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**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 (Schedule 1)	\$ (225,229)
Differences-budget to GAAP	
Transfer from Adult Education Enrichment to the Adult Education Program	10,855
Capital Lease Proceeds	<u>42,105</u>
Total Other Financing Sources (Uses) as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Statement 5)	<u><u>\$ (172,269)</u></u>

**NOTE 3: BUDGETED USE OF SURPLUS**

For the year ended June 30, 2017, RSU #5 budgeted a deficit of \$966,705 and planned to use the General Fund's fund balance to cover the deficit. Actual revenues and expenditures, however, resulted in a deficit of \$614,377.

**NOTE 4: BUDGET TRANSFERS**

During the year, expenditures exceeded appropriations in articles 3 - Facilities Maintenance and 4 – Career and Technical Education. The following budget transfers were authorized by the Finance Committee.

Facilities maintenance	\$ 850,000
Career and technical education	4
Student and staff support	(150,000)
School administration	(35,000)
Regular instruction	(400,000)
System administration	(20,000)
Transportation services	(60,000)
Special education services	<u>(185,004)</u>
	<u><u>\$ -</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
 JUNE 30, 2017

	<b>ASSETS</b>					<b>Total Assets</b>
	Cash/ Investments	Due from Other Funds	Accounts Receivable	Inventories	Total Assets	
<b>Special Revenue Funds</b>						
Title 1A disadvantaged	\$ -	-	\$ 94,752	-	-	\$ 94,752
IDEA local entitlement grant	-	-	51,510	-	-	51,510
IDEA preschool grant	-	-	10,404	-	-	10,404
Getting to proficiency	-	21,298	-	-	-	21,298
Improving teacher quality	-	-	42,092	-	-	42,092
Student aspirations	8,638	22,927	-	-	-	31,565
Donations	-	42,879	-	-	-	42,879
Laptop protection	-	30,251	-	-	-	30,251
SAMSHA	-	101	-	-	-	101
Mentoring	-	10,497	-	-	-	10,497
Dollars for scholars	-	1,879	-	-	-	1,879
Performing arts center	-	30,316	-	-	-	30,316
Adult Education Enrichment	-	31,625	-	-	-	31,625
Community education	1,074,448	-	-	-	-	1,074,448
School nutrition program	745,715	-	65,385	29,956	-	841,056
<b>Total Special Revenues</b>	<u>\$ 1,828,801</u>	<u>\$ 191,773</u>	<u>\$ 264,143</u>	<u>\$ 29,956</u>	<u>\$ 2,314,673</u>	<u>\$ 2,314,673</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
 JUNE 30, 2017

**LIABILITIES AND FUND BALANCE**

	Accounts Payable	Accrued Salaries	Due to Other Funds	Fund Balance	Total Liabilities and Fund Balance
<b>Special Revenue Funds</b>					
Title 1A disadvantaged	-	\$ 18,075	\$ 76,677	\$ -	\$ 94,752
IDEA local entitlement grant	17,516	-	33,865	129	51,510
IDEA preschool grant	-	-	10,404	-	10,404
Getting to proficiency	961	-	-	20,337	21,298
Improving teacher quality	32,209	-	9,883	-	42,092
Student aspirations	1,137	-	-	30,428	31,565
Donations	125	-	-	42,754	42,879
Laptop protection	2,488	-	-	27,763	30,251
SAMSHA	-	-	-	101	101
Mentoring	-	-	-	10,497	10,497
Dollars for scholars	-	-	-	1,879	1,879
Performing arts center	-	-	-	30,316	30,316
Adult Education Enrichment	967	-	-	30,658	31,625
Community education	6,570	9,225	777,746	280,907	1,074,448
School nutrition program	2,469	666	1,081,553	(243,632)	841,056
<b>Total Special Revenues</b>	<u>\$ 64,442</u>	<u>\$ 27,966</u>	<u>\$ 1,990,128</u>	<u>\$ 232,137</u>	<u>\$ 2,314,673</u>

**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Fund Balances Beginning of Year	Program Revenues		Transfers In (Out)	Program Expenditures	Fund Balances End of Year
		Intergovern- mental	Other			
<b>Special Revenue Funds</b>						
Title IA disadvantaged	\$ -	\$ 191,077	\$ -	\$ -	\$ 191,077	\$ -
IDEA local entitlement grant	129	348,962	-	-	348,962	129
IDEA preschool grant	-	10,685	-	-	10,685	-
Getting to proficiency	27,663	23,718	-	-	31,044	20,337
Improving teacher quality	-	103,941	-	-	103,941	-
Student aspirations	29,035	-	11,319	-	9,926	30,428
Donations	40,266	-	3,360	-	872	42,754
Laptop protection	24,754	-	30,962	-	27,953	27,763
SAMSHA	101	-	-	-	-	101
Mentoring	10,497	-	-	-	-	10,497
Dollars for scholars	1,879	-	-	-	-	1,879
Performing arts center	31,136	-	6,460	-	7,280	30,316
Adult Ed Enrichment	35,671	-	44,845	(10,855)	39,003	30,658
Community education	221,681	-	673,634	-	614,408	280,907
School nutrition program	(211,260)	261,470	279,626	225,229	798,697	(243,632)
<b>Total Special Revenues</b>	<b>\$ 211,552</b>	<b>\$ 939,853</b>	<b>\$ 1,050,206</b>	<b>\$ 214,374</b>	<b>\$ 2,183,848</b>	<b>\$ 232,137</b>



**REGIONAL SCHOOL UNIT NO. 5**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

**Agency Funds**

	Student Activity Funds						Total
	Community Education Football	Freeport High School (Schedule 7)	Freeport Middle School (Schedule 8)	Durham Elementary School (Schedule 9)	Pownal Elementary School (Schedule 10)	Mast Landing School (Schedule 11)	
<b>ASSETS:</b>							
Cash/investment	\$ 4,627	\$ 193,097	\$ 53,037	\$ 45,674	\$ 11,626	\$ 24,308	\$ 332,369
<b>LIABILITIES:</b>							
Due to other funds	139	-	-	-	-	-	139
Due to other groups	4,488	193,097	53,037	45,674	11,626	24,308	332,230
	4,627	193,097	53,037	45,674	11,626	24,308	332,369
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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, 2017**

	<u>Balance</u> <u>6/30/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>6/30/2017</u>
5210 Grant	\$ 413	\$ 218	\$ 364	\$ 267
Amnest International	161	13,000	12,850	311
Art Club	187	100	-	287
Arthur Albert Smth Scholarship	160	-	-	160
Athletics	47,875	128,270	120,626	55,519
Band	5,085	1,147	2,574	3,658
Bradley Fellowship	-	2,985	1,180	1,805
Ceramics	346	-	-	346
Chorus	1,263	470	1,120	613
Chrome BookRepair	200	132	-	332
Class of 2008	1,015	-	1,015	-
Class 2012	1,021	-	-	1,021
Class 2013	791	311	-	1,102
Class 2014	5,183	1,924	5,000	2,107
Class 2015	5,453	-	-	5,453
Class 2016	21,203	100	6,996	14,307
Class 2017	11,861	33,107	35,825	9,143
Class 2018	6,911	18,888	10,112	15,687
Class 2019	6,309	5,437	2,453	9,293
Class 2020 new	-	4,599	3,105	1,494
Custodians new	-	159	-	159
Drama/Musical	6,141	8,278	8,780	5,639
Engineering Class	2,143	179	-	2,322
English	134	-	-	134
Environment Club(EARTH)	904	460	74	1,290
Fishing Club	2,109	-	-	2,109
Foreign Language	32	-	-	32
Friends of FHS	440	-	-	440
Gay/Straight All	676	-	97	579
General Fund	872	-	872	-
GEMS new	-	185	-	185
Homecoming	4,133	1,538	678	4,993
JMG	4,119	4,912	5,261	3,770
Laptop	132	-	132	-
Latin Club	34	3,043	3,020	57
Library	689	80	30	739
Math Team	132	368	280	220
Math Department	-	244	-	244
Melmac Scholarship	3,000	2,000	2,000	3,000
Subtotal	<u>141,127</u>	<u>232,134</u>	<u>224,444</u>	<u>148,817</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, 2017**

	<u>Balance 6/30/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 6/30/2017</u>
Model UN	\$ 157	\$ 9,340	\$ 7,831	\$ 1,666
National Honor Society	56	-	20	36
NYC Trip	683	-	-	683
One Act Plays	1,298	3,069	1,846	2,521
PG 2014	1,924	-	1,924	-
Photography	1,608	-	-	1,608
Principal's Contingency	8,470	6,140	5,274	9,336
PG 6 2013	311	-	311	-
PTSO	1,697	2,599	2,730	1,566
Quebec Trip	25	200	150	75
Recycling Service Project	490	-	-	490
Scholarships	5,690	7,531	13,200	21
Science	326	-	-	326
Science Olympiad	357	-	348	9
Social Studies	142	-	-	142
Staff Wellness Initiative	399	-	-	399
Stem Lab	-	2,767	2,747	20
Student Council	346	1,733	679	1,400
Student Needs Fund	256	-	-	256
Student Services	2,207	13,940	15,161	986
Summer School	9,421	2,650	-	12,071
Sunshine Fund	141	580	480	241
Thomas Boat Grant	31	-	-	31
Thomas Max Scholarship	150	-	-	150
Videography	94	-	48	46
World Quest	575	-	575	-
Yearbook	7,067	14,237	11,103	10,201
Sub-total	<u>43,921</u>	<u>64,786</u>	<u>64,427</u>	<u>44,280</u>
Grand Total	<u>\$ 185,048</u>	<u>\$ 296,920</u>	<u>\$ 288,871</u>	<u>\$ 193,097</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, 2017**

	<b>Balance 6/30/2016</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2017</b>
Athletics	\$ 109	\$ 79	\$ -	\$ 188
Band-Students	130	2,073	2,106	97
Bradley Grant	591	-	591	-
Class 2016	161	-	-	161
Class 2017	-	350	350	-
Class 2018	-	9,261	9,261	-
Class 2019	-	16,391	16,041	350
Coffee Fund	-	384	384	-
Drama	5,214	9,138	8,650	5,702
Fab Friday	2,365	10,256	10,787	1,834
Favreau-Technology	1,658	-	-	1,658
FLS & Choices	36	100	32	104
Gardening Club	339	-	104	235
General Fund	5,118	7,270	8,605	3,783
GT	913	100	100	913
Guidance	494	-	70	424
Interact Club	20	740	508	252
JMG	844	2,066	2,000	910
Library	215	2,289	2,082	422
Lisa Roney	100	-	-	100
Magazine Drive	17	10,394	5,868	4,543
Math Prof Dev	-	2,496	-	2,496
Mrs. Pritchard's Class	51	-	-	51
Musical Performances	7,393	-	-	7,393
O'Brien-Science	1,135	980	1,000	1,115
OM-DI	1,615	742	-	2,357
Parent Team	4,394	6,212	5,391	5,215
Peer Helpers	118	-	-	118
Postage	657	937	684	910
Project Adventure	266	-	142	124
Project Ascent	-	302	302	-
Puffin Fund	1,827	1,000	-	2,827
Robotics Grant	222	-	-	222
Scholarship Fund	1,179	1,052	1,074	1,157
Space Camp	1,152	28,756	27,264	2,644
Sports Boosters	5,299	-	1,252	4,047
Sunshine Fund	133	248	324	57
Touch Tank	11	-	-	11
Travel Club	279	32,314	32,035	558
Yearbook	485	1,292	1,718	59
	<u>\$ 44,540</u>	<u>\$ 147,222</u>	<u>\$ 138,725</u>	<u>\$ 53,037</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, 2017**

	<b>Balance 6/30/2016</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2017</b>
Computer	\$ 454	\$ -	\$ -	\$ 454
Dance	1,121	1,871	1,674	1,318
Drama	3,132	1,475	837	3,770
Exxon Mobil	99	-	-	99
Field Work	2,243	-	-	2,243
Garden	-	158	77	81
Grade 8	1,192	2,594	3,029	757
JMG	804	703	512	995
Library	488	1,100	1,393	195
Math	423	75	224	274
Music	1,668	685	429	1,924
Outing Club	1,014	3,427	3,133	1,308
PTA Field Wrk support	(270)	582	240	72
Reimbursement	1,404	1,893	1,351	1,946
School Activity	1,018	10,422	11,143	297
Sports Gate	1,207	-	-	1,207
Student Council	1,537	809	693	1,653
Telecommunications 0	4,066	-	2,283	1,783
Trips	21,623	12,760	9,929	24,454
Yearbook	665	2,259	2,080	844
	<u>\$ 43,888</u>	<u>\$ 40,813</u>	<u>\$ 39,027</u>	<u>\$ 45,674</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, 2017**

	<b>Balance 6/30/2016</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2017</b>
Assembly Fund	\$ 217	\$ -	\$ -	\$ 217
Class Of 2014	467	4,781	3,637	1,611
Class Of 2015	179	-	-	179
Drama	52	-	-	52
Eco Maine	88	-	-	88
Fpd Grant	600	500	500	600
Fun Account	1,612	1,491	1,592	1,511
Garden	39	-	-	39
General	1,001	2,253	1,618	1,636
Library	508	118	122	504
Library Grant	28	7,000	4,234	2,794
Postage	-	355	355	-
Snacks	642	-	-	642
Summer Day Camp	369	-	-	369
Water/Soda Account	39	80	42	77
Wellness	1,070	-	150	920
Yearbook	421	121	338	204
Youth Soccer	271	262	350	183
	<u>\$ 7,603</u>	<u>\$ 16,961</u>	<u>\$ 12,938</u>	<u>\$ 11,626</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, 2017**

	<b>Balance 6/30/2016</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance 6/30/2017</b>
Bradley Foundation	\$ 2,783	\$ -	\$ 1,281	\$ 1,502
Cole Grant	7	-	-	7
Drama	1,440	2,068	791	2,717
Fpad Grant	1,307	4,075	2,302	3,080
Fuel Up	1,384	-	900	484
Guidance	29	-	-	29
Library	436	1,716	1,178	974
Music/Art	212	492	523	181
Office	330	7,180	6,495	1,015
PTC	16,516	29,679	32,139	14,056
School Store	97	136	-	233
Wellness	80	-	50	30
	<u>\$ 24,621</u>	<u>\$ 45,346</u>	<u>\$ 45,659</u>	<u>\$ 24,308</u>