

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



JUNE 30, 2018

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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, 2018, 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, 2018, 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 37 - 44 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 6 through 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 6 through 13 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 6 through 13 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 November 26, 2018, 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
November 26, 2018



Durham • Freeport • Pownal

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

Management's Discussion and Analysis Required Supplementary Information

Year Ended June 30, 2018

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, 2018. 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 \$20,303,979.
- Capital assets of the RSU, net of depreciation, totaling \$44,232,270.

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 \$20,303,979 for the fiscal year ended June 30, 2018.

Table 1
Fiscal Year Ended June 30, 2018
Statement of Net Position

	Governmental Activities	
	2018	2017
Current and other assets	\$ 6,148,862	\$ 10,773,490
Capital assets	44,232,270	40,443,930
Total assets	<u>50,381,132</u>	<u>51,217,420</u>
Deferred outflows of resources	<u>695,578</u>	<u>565,089</u>
Current and long-term liabilities	<u>30,699,613</u>	<u>33,533,518</u>
Deferred inflows of resources	<u>73,118</u>	<u>62,058</u>
Net position		
Investment in capital assets	17,398,694	12,251,057
Restricted	613,204	3,568,777
Unrestricted	<u>2,292,081</u>	<u>2,367,099</u>
Total net position	<u>\$ 20,303,979</u>	<u>\$ 18,186,933</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 2018 net book value of fixed assets (capital assets, net of depreciation) by asset class.

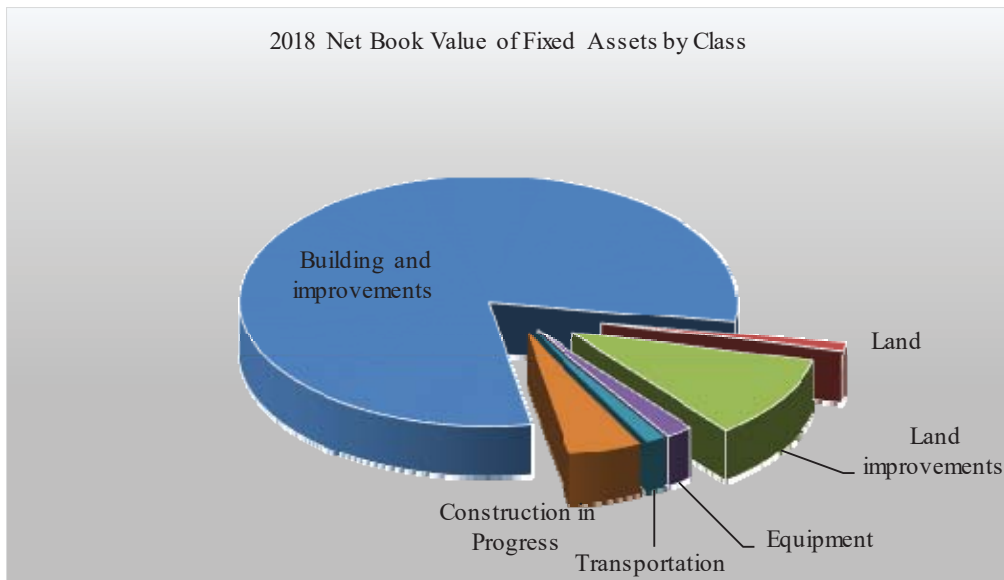


Chart A – Net Book Value of Fixed Asset Classes

Table 2 presents a summary of the RSU's changes in net position for the fiscal year ended June 30, 2018.

Table 2
Fiscal Year ended June 30, 2018
Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 1,140,945	\$ 1,170,220
Operating grants and contributions	2,674,927	4,611,689
<i>General revenues:</i>		
Town assessments	25,132,037	23,998,023
Subsidies	5,848,512	5,931,162
Interest earned	30,361	41,303
Miscellaneous	130,217	137,308
Total revenues	34,956,999	35,889,705
Expenses		
Student and staff support	2,938,847	2,845,868
School administration	1,475,086	1,457,205
Facilities maintenance	4,287,886	3,894,674
Career and technical education	574,097	542,110
Crossing guards	789	941
Regular instruction	12,133,716	12,338,889
Other instruction	714,364	730,219
System administration	808,106	738,454
Transportation services	1,310,022	1,193,894
Debt service	504,699	522,955
Special education services	4,561,541	4,367,531
Adult education	154,304	155,757
Community education	594,553	614,408
Capital improvement and fuel expenses	261,541	-
Program expenditures	889,357	839,822
On-behalf payments	1,631,045	1,465,223
Total expenses	32,839,953	31,707,950
 Increase (Decrease) in Net Position	 \$ 2,117,046	 \$ 4,181,755

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

Table 3
Fiscal Year ended June 30, 2018
Net Cost of Governmental Activities

Function/Program:	Total Cost of Services	Net Cost of Services
Instruction and support	\$ 20,922,565	\$ (20,159,135)
Transportation	1,310,022	(1,310,022)
Facilities maintenance	4,287,886	(4,287,886)
Administration	2,283,192	(2,283,192)
Debt service	504,699	(504,699)
Capital Improvement and Fuel Expenses	261,541	(143,131)
Other	<u>3,270,048</u>	<u>(336,015)</u>
 Total governmental activities	 <u>\$ 32,839,953</u>	 <u>\$ (29,024,080)</u>

General Fund Revenues Budget to Actual Summary

Revenues:	Budget	Actual	Variance
Town assessments	\$ 25,300,626	\$ 25,132,037	\$ (168,589)
Intergovernmental	5,851,096	5,980,389	129,293
Charges for Services	-	42,534	42,534
Other	<u>117,391</u>	<u>165,699</u>	<u>48,308</u>
	<u>\$ 31,269,113</u>	<u>\$ 31,320,659</u>	<u>\$ 51,546</u>

The following chart depicts program revenues by source.

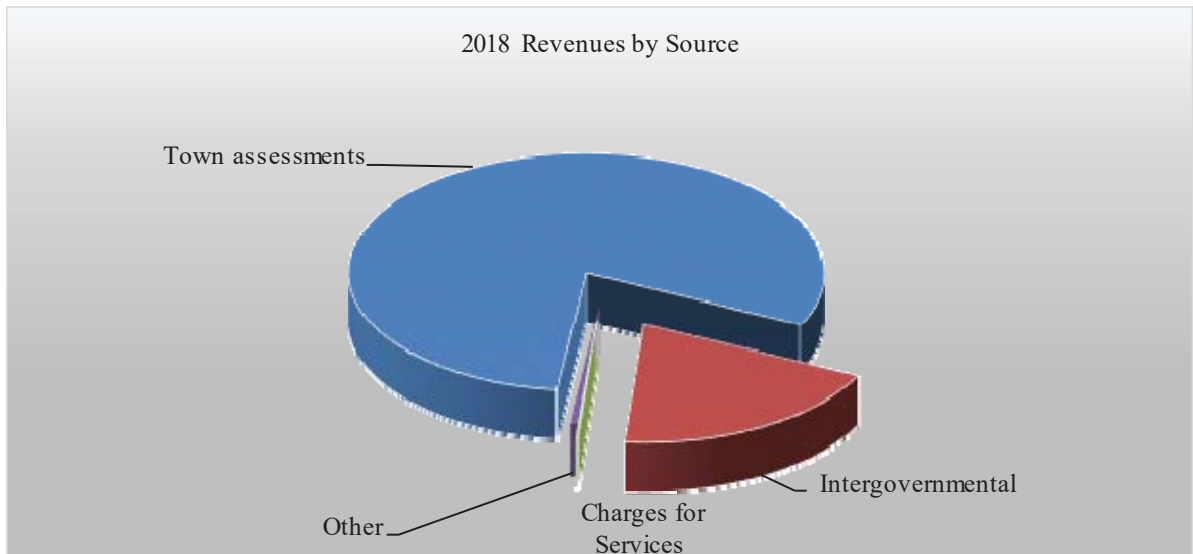


Chart B – Revenues by Source

General Fund Expenditures Budget to Actual Summary

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Student and staff support	\$ 3,137,663	\$ 2,954,217	\$ 183,446
School administration	1,537,853	1,483,200	54,653
Facilities maintenance	4,825,088	4,792,117	32,971
Crossing guard	574,091	574,097	(6)
Career and technical education	1,400	789	611
Regular instruction	12,645,570	12,278,798	366,772
Other instruction	760,096	715,160	44,936
System administration	841,731	806,411	35,320
Transportation services	1,486,225	1,419,614	66,611
Debt service	1,644,542	1,644,541	1
Special education services	4,379,997	4,253,646	126,351
Capital Improvement and Fuel Expenses	-	422,000	(422,000)
Adult education	237,229	196,193	41,036
	<u>\$ 32,071,485</u>	<u>\$ 31,540,783</u>	<u>\$ 530,702</u>

Chart C graphically depicts expenditures by function.

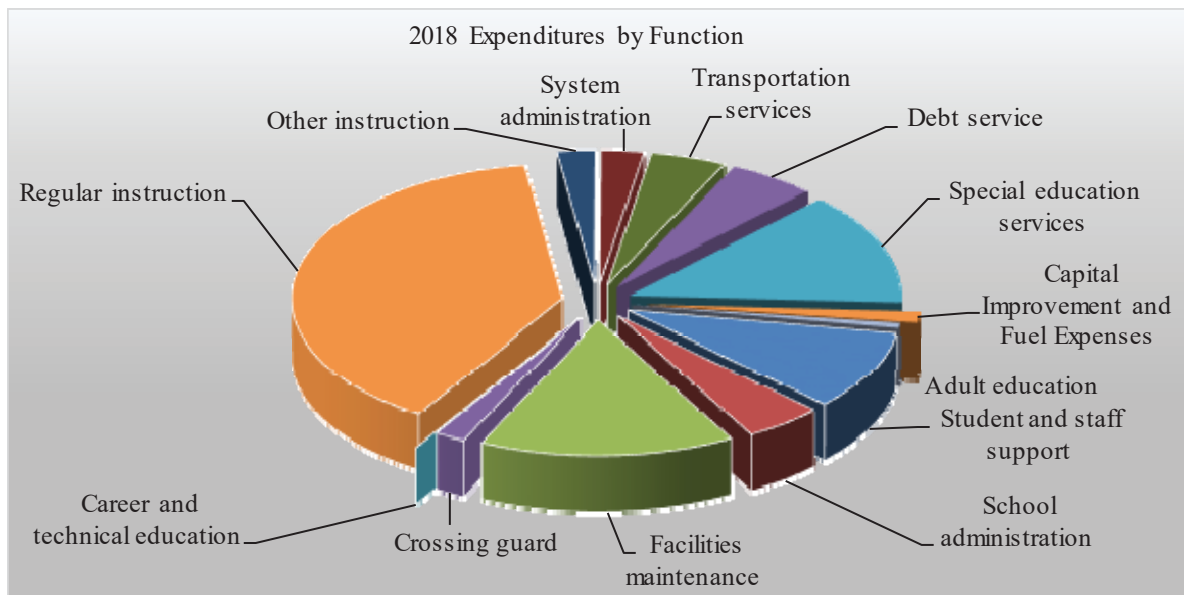


Chart C – Expenditures by Function

FINANCIAL ANALYSIS OF THE RSU'S FUNDS

As of June 30, 2018, the RSU's governmental funds balance totaled \$3,385,256.

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, 2018, the RSU had \$44,232,270 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4
Governmental Activities Capital Assets
(Net of Depreciation)

	2018	2017
Land	\$ 447,285	\$ 447,285
Land improvements	4,683,726	409,818
Building and building improvements	35,127,579	35,836,982
Equipment and vehicles	1,889,447	1,374,115
Construction in progress	2,084,233	2,375,730
	\$ 44,232,270	\$ 40,443,930

DEBT ADMINISTRATION

At the end of the year RSU had a total of \$25,824,419 of general obligation long-term debt. In addition, the capital lease purchase obligations for copiers totaled \$484,536.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2018.

Table 5
Fiscal Year Ended June 30, 2018
General Long Term Debt and Lease Obligations

	General Long-term Debt and Lease Obligations	
	2018	2017
Debt payable at July 1	\$ 28,004,133	\$ 30,314,565
Debt additions	737,240	42,105
Debt retired	(2,432,418)	(2,352,537)
Debt payable at June 30	\$ 26,308,955	\$ 28,004,133

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Administration, staff, and the Board worked creatively to create a responsible operating budget for the 2018-2019 school year. The increase over the previous year's budget was \$747,340. The 2018-2019 budget includes the increase in Ed Tech hours to cover new extended classroom instruction time, additional teacher for increased enrollment, additional social worker time due to increased needs, increased substitute monies to match historical spending and amounts to start a reserve fund for Track & Field Repair and Maintenance. Local assessments for the approved 2018-2019 budget are broken down as follows: Durham \$5,018,058; Freeport \$18,133,851; and Pownal \$2,978,354.

Construction on additions, renovations, and improvements to the Freeport High School building, grounds and facilities that were approved by voters on November 5, 2013 have now been completed including all punch list items. On January 10, 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 came back in June of 2018 to put the final coat on the track, however, there are still remaining punch list items to be completed in Spring of 2019. Because the work of the Track & Field came in under budget and more funds were raised by Tri Town Track and Field group, a set of bleachers with a press box were approved by the School Board and construction was completed in August of 2018.

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, 2018

	Governmental Activities
ASSETS:	
Cash/investments	\$ 5,843,454
Cash held by third party	48,502
Accounts receivable	239,912
Inventories	16,994
Capital assets:	
Land	447,285
Construction in progress	2,084,233
Other capital assets, net of depreciation	41,700,752
Total capital assets	44,232,270
TOTAL ASSETS	50,381,132
 DEFERRED OUTFLOWS OF RESOURCES	
Pensions	695,578
 LIABILITIES:	
Accounts payable	443,806
Accrued salaries and benefits	2,318,306
Due to fiduciary funds	1,494
Current portion of long-term debt, (including current portion of bond premiums of \$99,586)	2,435,511
Total current liabilities	5,199,117
Long-term liabilities	
Compensated absences payable	443,083
Accrued interest	185,280
Long-term debt, (including long-term portion of bond premiums of \$721,744)	24,694,774
Net pension liability	177,359
Total non-current liabilities	25,500,496
TOTAL LIABILITIES	30,699,613
 DEFERRED INFLOWS OF RESOURCES	
Pensions	73,118
 NET POSITION:	
Net investment in capital assets	17,398,694
Restricted	613,204
Unrestricted	2,292,081
TOTAL NET POSITION	\$ 20,303,979

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<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>
FUNCTIONS				
Primary government				
Governmental activities				
Student and staff support	\$ 2,938,847	\$ -	\$ -	\$ (2,938,847)
School administration	1,475,086	-	-	(1,475,086)
Facilities maintenance	4,287,886	-	-	(4,287,886)
Career and technical education	574,097	-	-	(574,097)
Crossing guards	789	-	-	(789)
Regular instruction	12,133,716	87,527	276,359	(11,769,830)
Other instruction	714,364	-	-	(714,364)
System administration	808,106	-	-	(808,106)
Transportation services	1,310,022	-	-	(1,310,022)
Debt service	504,699	-	-	(504,699)
Special education services	4,561,541	62,572	336,971	(4,161,998)
Adult education	154,304	-	39,202	(115,102)
Community education	594,553	627,330	5,756	38,533
Capital Improvements and Fuel Expenses	261,541	-	118,410	(143,131)
Program expenditures	889,357	363,516	267,184	(258,657)
MainePERS on-behalf payments	1,631,045	-	1,631,045	-
Total governmental activities	<u>32,839,953</u>	<u>1,140,945</u>	<u>2,674,927</u>	<u>(29,024,081)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 32,839,953</u>	<u>\$ 1,140,945</u>	<u>\$ 2,674,927</u>	

General revenues and special items:

Taxes:

Local assessments - K - 12	25,029,037
Local assessments - adult education	103,000
State allocation	5,848,512
Investment earnings	30,361
Miscellaneous	130,217
	<u>31,141,127</u>
Change in net position	2,117,046
Net Position - July 1, 2017	<u>18,186,933</u>
Net Position - June 30, 2018	<u>\$ 20,303,979</u>

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	High School Renovation Project	Tri-Town Track & Field Project	Community Education	School Nutrition Program	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash/investments	\$ 2,318,649	\$ 1,781,727	\$ -	\$ 1,091,651	\$ 642,784	\$ 8,643	\$ 5,843,454
Cash held by third party	48,502	-	-	-	-	-	48,502
Accounts receivable	45,210	-	-	-	70,671	124,031	239,912
Due from other funds	3,071,322	-	193,829	-	-	204,164	3,469,315
Inventories	-	-	-	-	16,994	-	16,994
TOTAL ASSETS	\$ 5,483,683	\$ 1,781,727	\$ 193,829	\$ 1,091,651	\$ 730,449	\$ 336,838	\$ 9,618,177
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable	\$ 193,367	\$ 25,000	\$ 185,536	\$ 6,704	\$ 1,772	\$ 31,427	\$ 443,806
Accrued salaries and benefits	2,293,548	-	-	5,297	28	19,433	2,318,306
Due to other funds	399,486	1,381,691	-	760,209	850,587	78,836	3,470,809
Total liabilities	2,886,401	1,406,691	185,536	772,210	852,387	129,696	6,232,921
Fund balances:							
Nonspendable	-	-	-	-	16,994	-	16,994
Restricted for:							
Special revenues	-	-	-	319,441	-	207,142	526,583
Capital projects funds	-	375,036	8,293	-	-	-	383,329
Committed for:							
Capital improvements	722,175	-	-	-	-	-	722,175
and fuel oil expenditures	-	-	-	-	-	-	-
Assigned for:							
Use of fund balance	796,000	-	-	-	-	-	796,000
Unassigned (deficit)	1,079,107	-	-	-	(138,932)	-	940,175
Total fund balances	2,597,282	375,036	8,293	319,441	(121,938)	207,142	3,385,256
TOTAL LIABILITIES AND FUND BALANCES:	\$ 5,483,683	\$ 1,781,727	\$ 193,829	\$ 1,091,651	\$ 730,449	\$ 336,838	\$ 9,618,177

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

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

Net change in fund balances - total governmental funds (from Statement 3)		\$ 3,385,256
<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>		44,232,270
<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	\$ (25,824,419)	
Bond premiums	(821,330)	
Capital leases payable	(484,536)	
Compensated absences payable	(443,083)	
Accrued interest	<u>(185,280)</u>	(27,758,648)
<p>Adjustments related to pensions</p>		
Unamortized deferred outflows of resources - pensions	695,578	
Unamortized deferred inflows of resources - pensions	(73,118)	
Net pension liability	<u>(177,359)</u>	<u>445,101</u>
Net position of governmental activities (see Statement 1)		<u>\$ 20,303,979</u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	High School Renovation Project	Tri-Town Track & Field Project	Community Education	School Nutrition Program	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Local assessments	\$ 25,132,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,132,037
Intergovernmental	5,990,480	-	-	-	267,184	605,197	6,862,861
Charges for services	-	-	-	627,330	320,982	89,867	1,038,179
Interest earned	25,392	4,969	-	-	-	-	30,361
Intergovernmental on-behalf payments	1,631,045	-	-	-	-	-	1,631,045
Donations	-	-	108,397	-	-	-	108,397
Miscellaneous	130,220	10,013	-	5,757	-	8,134	154,124
Total revenues	<u>32,909,174</u>	<u>14,982</u>	<u>108,397</u>	<u>633,087</u>	<u>588,166</u>	<u>703,198</u>	<u>34,957,004</u>
EXPENDITURES:							
Student and staff support	2,997,245	-	-	-	-	-	2,997,245
School administration	1,483,200	-	-	-	-	-	1,483,200
Facilities maintenance	4,792,117	-	-	-	-	-	4,792,117
Career and technical education	574,097	-	-	-	-	-	574,097
Crossing guard	789	-	-	-	-	-	789
Regular instruction	12,278,798	-	-	-	-	299,826	12,578,624
Other instruction	715,160	-	-	-	-	-	715,160
System administration	806,411	-	-	-	-	-	806,411
Transportation services	2,113,826	-	-	-	-	-	2,113,826
Debt service	1,644,541	-	-	-	-	-	1,644,541
Special education services	4,253,646	-	-	-	-	336,971	4,590,617
Adult education	154,304	-	-	-	-	-	154,304
Capital Improvements and Fuel Expenses	422,000	765,185	2,992,766	-	-	-	4,179,951
Program expenditures	-	-	-	594,553	839,901	41,891	1,476,345
Maine state retirement on-behalf payments	1,631,045	-	-	-	-	-	1,631,045
Total expenditures	<u>33,867,179</u>	<u>765,185</u>	<u>2,992,766</u>	<u>594,553</u>	<u>839,901</u>	<u>678,688</u>	<u>39,738,272</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(958,005)	(750,203)	(2,884,369)	38,534	(251,735)	24,510	(4,781,268)
OTHER FINANCING SOURCES (USES):							
Bond and capital lease proceeds	737,240	-	-	-	-	-	737,240
Transfers in (out)	(361,327)	(761,182)	761,182	-	373,429	(12,102)	-
	375,913	(761,182)	761,182	-	373,429	(12,102)	737,240
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(582,092)	(1,511,385)	(2,123,187)	38,534	121,694	12,408	(4,044,028)
FUND BALANCES - JULY 1, 2017	<u>3,179,374</u>	<u>1,886,421</u>	<u>2,131,480</u>	<u>280,907</u>	<u>(243,632)</u>	<u>194,734</u>	<u>7,429,284</u>
FUND BALANCES - JUNE 30, 2018	<u>\$ 2,597,282</u>	<u>\$ 375,036</u>	<u>\$ 8,293</u>	<u>\$ 319,441</u>	<u>\$ (121,938)</u>	<u>\$ 207,142</u>	<u>\$ 3,385,256</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.

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds (from Statement 5) \$ (4,044,028)

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	\$ 5,113,473	
Depreciation	<u>(1,325,134)</u>	3,788,339

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	(737,240)	
Capital lease repayments	280,184	
Long-term debt repayment	<u>2,152,234</u>	1,695,178

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	427,385	
Change in deferred bond premiums	106,916	
Change in accrued interest	109	
District pension contribution	619,898	
Cost of benefits earned net of employee contributions	<u>(476,751)</u>	<u>677,557</u>

Change in net position of governmental activities (see Statement 2) \$ 2,117,046

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds
ASSETS:	
Cash/investments	\$ 308,625
Due from other funds	1,494
Total Assets	310,119
 LIABILITIES:	
Due to other groups	310,119
	310,119
 NET POSITION:	
Held in trust for other purposes	\$ -

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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.

The accounting policies and financial statements of RSU #5 are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental entities, as prescribed by the Government Accounting Standards Board (GASB). The following is a summary of RSU #5's significant policies.

Basis of Presentation

RSU #5's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

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. Generally, the effect of interfund activity has been removed from these statements. Governmental activities are primarily supported by taxes and intergovernmental revenues.

The statement of net position presents the financial condition of the governmental activities of RSU #5 as of the end of the fiscal year. The statement of activities demonstrates the degree 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.

The government-wide statement of net position reports governmental activities on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reports the gross and net costs of RSU #5's governmental activities. The statement of activities reduces gross expenses (including depreciation) by related program revenues - charges for services and operating grants and contributions, if any. The net expenses are covered by general revenues.

Fund Financial Statements

The financial transactions of RSU#5 are reported in individual fund in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and transfers in and out. 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 grouped by type in the financial statements. Interfund eliminations have not been made in the aggregate on this data.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

RSU #5 uses two categories of funds: governmental funds and fiduciary funds.

The governmental fund sub-types used by RSU #5 are 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 fiduciary fund sub-types used by RSU #5 are private-purpose trust and agency funds. These funds are not incorporated into the government-wide statements.

Private-purpose Trust funds are used to account for assets received by RSU #5 and maintained in a trustee capacity.

Agency funds are generally used to account for assets that the government holds on behalf of others as their agent. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 the "Other Governmental Funds" column in the fund financial statements. Fiduciary funds are reported by fund type.

RSU #5's major funds are the General Fund, Community Education, School Nutrition Program, the High School Renovation Project, and the Tri-Town Track and Field Project. Community Education and the School Nutrition Program are major special revenue funds and each of these funds is used to account for the activity that is related to its programs. The High School Renovation Project and the Tri-Town Track and Field Project are major capital projects funds and each of these funds is used to account for activity that is related to the specific project.

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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.

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 consist of government donated commodities, which are valued at estimated fair market value, and purchased food and supplies, 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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.

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 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 net 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 \$695,578 related to a pension obligation as of June 30, 2018.

In addition to liabilities, the statement of net 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 \$73,118 related to a pension obligation as of June 30, 2018.

Pensions and Other Post-Employment Benefits (OPEB)

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. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MainePERS Group Life Insurance (GLI) Plan (the OPEB Plan), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan.

For these purposes, the Pension Plan and the OPEB Plan recognizes benefits and contributions and premium refunds and withdrawals to the plans' members and beneficiaries are recognized as deductions when due and payable in accordance with the terms of the statutes. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the OPEB Plan until after year end. Investments of the plans are measured at fair value.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions and Other Post-Employment Benefits (OPEB) (Continued)

Due to timing differences between audited information about the plans becoming available from MainePERS and the statutorily required deadlines for audited financial statements for the RSU the RSU uses measurement dates from the plans account balances and activities that are 12 months prior to the date of the Statement of Net Position. Appropriate adjustments are made to the Statement of Net Position and Statement of Activity to reflect these divergent measurement dates. The use of the different measurement date is allowed under GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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.

Net Investment in Capital Assets (Continued)

Capital assets	\$ 53,320,077
Accumulated depreciation	(9,087,807)
Bonds, notes, and leases payable	(26,031,825)
Accrued bond premiums	<u>(801,751)</u>
Net investment in capital assets	<u>\$ 17,398,694</u>

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

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

Fund Balance

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

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

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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

Unassigned - represents amounts that are available for any purpose.

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

Interfund Transactions

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

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

Compensated Absences

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

Estimates

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

NOTE 2: DEPOSITS AND INVESTMENTS

Custodial Credit Risk

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

Deposits

RSU #5 does not have a deposit policy for custodial credit risk. As of June 30, 2018, RSU #5 reported deposits of \$6,152,079 with a bank balance of \$6,480,777. Of RSU #5's bank balances, \$2,273,444 was covered by FDIC insurance and \$4,207,333 was exposed to custodial credit risk. The balance exposed to custodial credit risk was collateralized by government securities held by the pledging bank, but not in RSU#5's name.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

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, 2018, the carrying value of amounts held by the MSMA Unemployment Compensation Trust Fund was \$48,502. 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, 2018 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 3,071,322	\$ 399,486
High school renovation project	-	1,381,691
Tri-town track & field project	193,829	-
Community education	-	760,209
School nutrition program	-	850,587
Nonmajor special revenue	204,164	78,836
Agency funds	1,494	-
	<u>\$ 3,470,809</u>	<u>\$ 3,470,809</u>

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

Transfers

Interfund transfers for the year ended June 30, 2018 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 361,327
High school renovation project	-	761,182
Tri-town track & field project	761,182	-
School nutrition program	373,429	-
Nonmajor special revenue	-	12,102
	<u>\$ 1,134,611</u>	<u>\$ 1,134,611</u>

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

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4: CAPITAL ASSETS

Capital asset activity during the fiscal year:

	<u>Balance</u> <u>6/30/2017</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/2018</u>
Capital assets not being depreciated				
Land	\$ 447,285	\$ -	\$ -	\$ 447,285
Construction in progress	2,375,730	574,056	(865,553)	2,084,233
Total capital assets not being depreciated	<u>2,823,015</u>	<u>574,056</u>	<u>(865,553)</u>	<u>2,531,518</u>
Capital assets being depreciated				
Land improvements	503,108	3,436,135	865,553	4,804,796
Buildings and improvements	42,045,363	326,732	-	42,372,095
Transportation	1,181,468	718,150	-	1,899,618
Equipment	1,653,650	58,400	-	1,712,050
Total capital assets being depreciated	<u>45,383,589</u>	<u>4,539,417</u>	<u>865,553</u>	<u>50,788,559</u>
Total capital assets	48,206,604	5,113,473	-	53,320,077
Less: Accumulated depreciation				
Land improvements	93,290	27,780	-	121,070
Buildings and improvements	6,208,381	1,036,135	-	7,244,516
Transportation	612,490	132,185	-	744,675
Equipment	848,512	129,034	-	977,546
Total accumulated depreciation	<u>7,762,673</u>	<u>1,325,134</u>	<u>-</u>	<u>9,087,807</u>
Total net capital assets	<u>\$ 40,443,931</u>	<u>\$ 3,788,339</u>	<u>\$ -</u>	<u>\$ 44,232,270</u>

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 1,076,517
Transportation	128,343
School lunch	8,149
Instructions	110,430
Administration	1,695
Total depreciation	<u>\$ 1,325,134</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</u> <u>Depreciation</u>
Transportation	\$ 694,212	\$ 42,836
Instructions	\$ 121,988	\$ 60,182
Total	<u>\$ 816,200</u>	<u>\$ 103,018</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 27,976,653	\$ -	\$ (2,152,234)	\$ 25,824,419	\$ 2,097,234
Capital leases payable	<u>27,480</u>	<u>737,240</u>	<u>(280,184)</u>	<u>484,536</u>	<u>238,691</u>
Total bonds and notes payable	28,004,133	737,240	(2,432,418)	26,308,955	2,335,925
Compensated absences	<u>870,468</u>	<u>-</u>	<u>(427,385)</u>	<u>443,083</u>	<u>-</u>
	<u>\$ 28,874,601</u>	<u>\$ 737,240</u>	<u>\$ (2,859,803)</u>	<u>\$ 26,752,038</u>	<u>\$ 2,335,925</u>

NOTE 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

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, 2018, are as follows:

	Year Ending June 30,	Amount
	2019	\$ 253,228
	2020	<u>253,227</u>
Total minimum lease payments		506,455
Amount representing interest		<u>(21,919)</u>
Present value of net minimum lease payments		484,536
Current maturities of capital lease obligations		<u>(238,691)</u>
Long-term capital lease obligations		<u>\$ 245,845</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Long-Term Debt Obligations

General long-term debt payable consists of the following:

<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; various interest rates between 4% and 5%; original authorized and issued \$3,285,000.	\$ 433,295
<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; various interest rates between 4% and 5%; original authorized and issued \$4,491,000.	1,095,000
<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; various interest rates between 4% and 5%; original authorized and issued \$250,000.	47,500
<i>Maine Municipal Bond Bank</i>	
2003 Durham Roof; maturing on 11/1/2018; annual principal payments of \$40,000; various interest rates between 2.08% and 4.23%; authorized and issued \$600,000.	40,000
<i>Maine Municipal Bond Bank</i>	
2009 Durham New Building; maturing on 11/1/2029; annual principal payments of \$108,835; various interest rates from 2.08% to 5.58%; authorized and issued \$2,176,696.	1,306,020
<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.	10,637,604
<i>US Bank</i>	
2015 General Obligation Bond-Freeport High School Renovation Project; maturing on November 1, 2035; annual principal payments of \$680,000; various interest rates between 2.50% and 5.00%; authorized \$14,638,009 and issued \$13,638,000.	<u>12,265,000</u>
	<u>\$ 25,824,419</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 is as follows:

Year Ending	Principal	Interest	Total
June 30			
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	1,895,302	635,138	2,530,440
2024-2028	8,376,510	2,152,437	10,528,947
2029-2033	5,390,604	695,223	6,085,827
2034-2036	2,040,000	98,600	2,138,600
	<u>\$ 25,824,419</u>	<u>\$ 7,005,722</u>	<u>\$ 32,830,141</u>

Interest expense was \$1,063,706 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, 2018.

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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018. 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, 2018.

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, 2017 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, 2017 there were 300 employers in the plan.

Each plan is administered by the Maine Public Employees Retirement System (MainePERS)

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 2.45%.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 by the System’s Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

Financial Reporting

MainePERS issues annual financial reports for the Plans which can be found at:

<http://www.maineper.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, 2017, 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, 2018. 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.

At June 30, 2018, 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	\$ 139,429
State's proportionate share of the net pension liability associated with RSU #5	<u>16,878,129</u>
Total	<u><u>\$ 17,017,558</u></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, 2017, for the SET plan, the RSU’s proportion was 0.009599%, which was an increase of 0.001513% from its proportion measured as of June 30, 2016. At June 30, 2017, for the PLD plan, the District’s proportion was 0.009263%, which was a decrease of 0.001699% from its proportion measured as of June 30, 2016.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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)

For the year ended June 30, 2018, the RSU recognized total pension expense of \$1,487,897 and revenue of \$1,631,045 for support provided by the State related to the SET plan, resulting in a net pension revenue of \$143,148. At June 30, 2018, 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	\$ 5,864	\$ -	\$ -	\$ 1,822	\$ 5,864	\$ 1,822
Change of assumptions		2,177	3,228	-	3,228	2,177
Net difference between projected and actual earnings on pension plan investments	38,899	40,951	13,072	14,115	51,971	55,066
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,617	6,954	-	7,099	14,617	14,053
RSU #5's contributions subsequent to the measurement date	<u>619,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,898</u>	<u>-</u>
Total	<u>\$ 679,278</u>	<u>\$ 50,082</u>	<u>\$ 16,300</u>	<u>\$ 23,036</u>	<u>\$ 695,578</u>	<u>\$ 73,118</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.

RSU contributions to the Plan subsequent to the measurement date, totaling \$619,898, 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	\$ (1,377)	\$ (5,431)	\$ (6,808)
Fiscal year 2019	17,209	1,022	18,231
Fiscal year 2020	932	254	1,186
Fiscal year 2021	<u>(7,464)</u>	<u>(2,582)</u>	<u>(10,046)</u>
Total	<u>\$ 9,300</u>	<u>\$ (6,737)</u>	<u>\$ 2,563</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2017 and 2016, 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.

Significant actuarial assumptions employed by the actuary for funding purposes, as of June 30, 2017, and June 30, 2016, are as follows:

Investment Rate of Return - For both Plans, 6.875% per annum, compounded annually (2017 and 2016)

Inflation Rate - For both Plans, 2.75% (2017 and 2016)

Salary Increases, Merit and Inflation - State employees, 2.75% to 8.75% (2017 and 2016); Teachers, 2.75% to 14.50% (2017 and 2016); all participants in the PLD Plan, 2.75% to 9.00% (2017 and 2016)

Cost of Living Benefit Increases - 2.20% (2017 and 2016)

Mortality Rates -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 Annuitant Mortality Table, for males and females, is used.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions (Continued)

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, 2017 are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.875% for 2017 and 2016 for each of the plans. 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 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.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 9: DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions (Continued)

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	\$ 244,657	\$ 139,429	\$ 52,549
PLD Plan			
Net pension liability	<u>76,100</u>	<u>37,930</u>	<u>9,195</u>
Total	<u>\$ 320,757</u>	<u>\$ 177,359</u>	<u>\$ 61,744</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.

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS PLAN

General Information about the OPEB Plan

OPEB Plan Description

The RSU participates in the Group Life Insurance Plan for Retired State Employees and Teachers administered by MainePERS. It is a multiple-employer cost-sharing plan with a special funding situation. As of June 30, 2017, there were 225 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 contributions for retired public school teachers in the plan.

Coverage for active employees is available to eligible participants and includes basic insurance consisting of life insurance and accidental death and dismemberment insurance in the amount equal to the participant's annual base compensation rounded up to the next \$1,000. Additional supplemental insurance coverage is available to those participants who elect basic coverage. Participants may also elect to insure the life of a dependent not otherwise insured under the basic and supplemental insurance provisions of the program.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 **OTHER POST-EMPLOYMENT BENEFITS PLAN** (Continued)

OPEB Benefits

The OPEB plan provides basic group life insurance benefits, during retirement, to retirees who participated in the group life insurance plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Funding Policy

Premium rates are those determined by MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. The premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State of Maine as the total dollar amount of each year's annual required contribution.

Financial Reporting

MainePERS issues annual financial reports for the Group Life Insurance Plan which can be found online at:

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability, deferred inflows of resources and deferred outflows of resources related to OPEB were measured at June 30, 2017, the latest measurement date available, and the total OPEB 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, 2018.

The RSU currently has no proportionate share of the collective net OPEB liability. Therefore, at June 30, 2017, the RSU reported a liability of \$0 for its proportionate share of the net OPEB liability. The State's proportionate share of the net OPEB liability associated with the RSU was \$314,667. Likewise, for the year ended June 30, 2018, the RSU recognized no OPEB expense (related to the MainePERS GLI OPEB Plan).

OPEB Plan Reporting

Normally, additional disclosures about actuarial methods and assumptions as well as required supplementary information relating to the RSU's proportionate share of the collective net OPEB liability and a schedule of the RSU's contributions to the OPEB Plan would be presented. However, due to the RSU having no liability nor contributions to the plan, these disclosures and schedules would provide no useful information and, thus, have been omitted.

Detailed information about the OPEB plan is available in the separately issued MainePERS financial report.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11: COMPONENTS OF FUND BALANCE

As of June 30, 2018, 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	\$ -	\$ -	\$ 622,175	\$ -	\$ -
Fuel reserve	-	-	100,000	-	-
Use of fund balance	-	-	-	796,000	-
Unassigned	-	-	-	-	1,079,107
School lunch program	16,694	-	-	-	(138,932)
Community Education	-	319,441	-	-	-
High school renovation project	-	375,036	-	-	-
Tri-town track & field project	-	8,293	-	-	-
Other governmental funds:					
Special revenues					
Getting to proficiency grant	-	20,337	-	-	-
Student aspirations	-	28,812	-	-	-
Donations	-	42,194	-	-	-
Erate	-	7,380	-	-	-
Laptop protection	-	34,797	-	-	-
SAMSHA	-	101	-	-	-
Mentoring	-	10,497	-	-	-
Dollars for scholars	-	1,879	-	-	-
Performing arts center	-	41,945	-	-	-
Adult education	-	19,200	-	-	-
Total	<u>\$ 16,694</u>	<u>\$ 909,912</u>	<u>\$ 722,175</u>	<u>\$ 796,000</u>	<u>\$ 940,175</u>

NOTE 12: DEFICIT FUND BALANCE

RSU #5's Special Revenue School Lunch Program is carrying forward a fund deficit as of June 30, 2018. This deficit will be funded by future operations.

NOTE 13: PURPOSE OF STUDENT ACTIVITY FUNDS

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

NOTE 14: SUBSEQUENT EVENTS

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through November 26, 2018, 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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Town assessments (includes adult education of \$103,000)	\$ 25,674,055	\$ 25,131,980	\$ 25,132,037	\$ 57
State shared revenues:				
General	5,004,540	5,848,512	5,848,512	-
State agency client	32,000	32,000	40,194	8,194
Medicaid Reimbursement	5,000	5,000	62,572	57,572
Adult education subsidy	134,229	134,229	39,202	(95,027)
	<u>5,175,769</u>	<u>6,019,741</u>	<u>5,990,480</u>	<u>(29,261)</u>
Charges for Services - Adult Education	-	-	42,534	42,534
Other:				
Interest earnings	4,900	4,900	25,392	20,492
Miscellaneous	102,291	112,492	130,216	17,724
	<u>107,191</u>	<u>117,392</u>	<u>155,608</u>	<u>38,216</u>
TOTAL REVENUES	<u>30,957,015</u>	<u>31,269,113</u>	<u>31,320,659</u>	<u>51,546</u>
EXPENDITURES-BY FUNCTIONS:				
Student and staff support	3,137,669	3,137,663	2,954,217	183,446
School administration	1,537,851	1,537,853	1,483,200	54,653
Facilities maintenance	4,825,085	4,825,088	4,792,117	32,971
Career and technical education	574,091	574,097	574,097	-
Crossing guard	1,400	1,400	789	611
Regular instruction	12,645,570	12,645,564	12,278,798	366,766
Other instruction	760,097	760,096	715,160	44,936
System administration	841,731	841,731	806,411	35,320
Transportation services	1,486,226	1,486,225	1,419,614	66,611
Debt service	1,644,542	1,644,542	1,644,541	1
Special education services	4,379,996	4,379,997	4,253,646	126,351
Other outlays:				
Capital improvements and fuel expenses	-	-	422,000	(422,000)
Adult education	237,229	237,229	196,193	41,036
TOTAL EXPENDITURES-BY FUNCTION:	<u>32,071,487</u>	<u>32,071,485</u>	<u>31,540,783</u>	<u>530,702</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(1,114,472)</u>	<u>(802,372)</u>	<u>(220,124)</u>	<u>582,248</u>

REGIONAL SCHOOL UNIT NO. 5
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,114,472)	\$ (802,372)	\$ (220,124)	\$ 582,248
OTHER FINANCING SOURCES (USES):				
Transfer out to school lunch program	<u>(373,429)</u>	<u>(373,429)</u>	<u>(373,429)</u>	<u>-</u>
BUDGETARY SURPLUS (DEFICIT)	<u>\$ (1,487,901)</u>	<u>\$ (1,175,801)</u>	<u>\$ (593,553)</u>	<u>\$ 582,248</u>
 COMPONENTS OF THE SCHOOL'S BUDGETARY SURPLUS (DEFICIT)				
Committed				
Capital improvement reserve	\$ -	\$ -	\$ (422,000)	
Assigned				
Use of fund balance	(1,487,901)	(1,175,801)	379,801	
Unassigned	<u>-</u>	<u>-</u>	<u>(551,354)</u>	
	<u>\$ (1,487,901)</u>	<u>\$ (1,175,801)</u>	<u>\$ (593,553)</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 Last Five Years *

Fiscal Year Ended June 30	RSU #5's proportion of the net pension liability		RSU #5's proportionate share of the net pension liability		State's proportionate share of the net pension liability associated with RSU #5		RSU #5's covered-employee payroll		RSU #5's proportionate share of the net pension liability as a percentage of its covered-employee payroll		Plan fiduciary net position as a percentage of the total pension liability
	proportion of the net pension liability	share of the net pension liability	proportionate share of the net pension liability	associated with RSU #5	Total	covered-employee payroll	proportionate share of the net pension liability as a percentage of its covered-employee payroll				
2017	0.009599%	\$ 139,429	\$ 16,878,129	\$ 17,017,558	\$ 14,161,782	0.98%	80.78%				
2016	0.008086%	142,835	16,878,129	17,020,964	13,846,467	1.03%	76.21%				
2015	0.009593%	129,517	14,471,579	14,601,096	12,399,394	1.04%	81.18%				
2014	0.011105%	119,971	11,739,600	11,859,571	12,360,183	0.97%	83.91%				
2013	0.017422%	276,984	5,204,320	5,481,304	11,528,980	2.40%	76.85%				

* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's first year of GASB 68 implementation; the fiscal year ended June 30, 2014.
The schedule will be updated annually as new information becomes 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 Last Five Fiscal Years *

Fiscal Year Ended June 30	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			
2017	\$ 488,206	\$ 488,206	\$ -	\$ 14,161,782	3.45%	
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%	

* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's
first year of GASB 68 implementation: the fiscal year ended June 30, 2014.
The schedule will be updated annually as new information becomes available.*

See Notes to Required Supplementary Information.

REGIONAL SCHOOL UNIT NO. 5
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MAINEPERS PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN
EMPLOYER ID: P0325
For the Last Five Fiscal Years *

Fiscal Year Ended June 30	RSU #5's proportion of the net pension liability		RSU #5's proportionate share of the net pension liability		RSU #5's proportionate share of the net pension liability as a percentage of its covered- employee payroll		Plan fiduciary net position as a percentage of the total pension liability
	RSU #5's proportion of the net pension liability	RSU #5's proportionate share of the net pension liability	RSU #5's covered- employee payroll	RSU #5's covered- employee payroll	RSU #5's proportionate share of the net pension liability as a percentage of its covered- employee payroll	RSU #5's proportionate share of the net pension liability as a percentage of its covered- employee payroll	
2017	0.009263%	\$ 37,930	\$ 49,975	\$ 49,975	75.90%	86.43%	
2016	0.010962%	58,244	57,802	57,802	100.76%	81.61%	
2015	0.011198%	35,724	58,682	58,682	60.88%	88.27%	
2014	0.014247%	21,923	71,615	71,615	30.61%	94.10%	
2013	0.010374%	31,979	57,711	57,711	55.41%	87.50%	

* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's
first year of GASB 68 implementation; the fiscal year ended June 30, 2014.
The schedule will be updated annually as new information becomes available.*

See Notes to Required Supplementary Information.

REGIONAL SCHOOL UNIT NO. 5
SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS
MAINEPERS PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN
EMPLOYER ID: P0325
For the Last Five Years *

Fiscal Year Ended June 30	Contractually required contributions		RSU #5's contributions in relation to the contractually required contributions		RSU #5's contribution deficiency (excess)	RSU #5's covered-employee payroll	RSU #5's contributions as a percentage of its covered-employee payroll
	Contractually required contributions		contractually required contributions				
2017	\$ 4,748	\$	4,748	\$	-	\$ 49,975	9.50%
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%

* The amounts presented have a measurement date of the previous fiscal year end.

*This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's first year of GASB 68 implementation; the fiscal year ended June 30, 2014.
The schedule will be updated annually as new information becomes available.*

See Notes to Required Supplementary Information.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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 \$1,631,045 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)	\$ 31,320,659
Differences-budget to GAAP	
Adult Education Enrichment Programs	(42,530)
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,631,045</u>
Total Revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 32,909,174</u>

Expenditures

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 31,540,783
Differences-budget to GAAP	
Adult Education Enrichment Programs	(41,889)
Capital lease purchases	737,240
On behalf payments for Maine State Retirement Contributions made by the State of Maine	<u>1,631,045</u>
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 5)	<u>\$ 33,867,179</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

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)	\$ (373,429)
Differences-budget to GAAP	
Transfer from Adult Education Enrichment to the Adult Education Program	12,102
Capital Lease Proceeds	<u>737,240</u>
Total Other Financing Sources (Uses) as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Statement 5)	
	<u>\$ 375,913</u>

NOTE 3: BUDGETED USE OF SURPLUS

For the year ended June 30, 2018, RSU #5 budgeted a deficit of \$1,175,801 and planned to use the General Fund's fund balance to cover the deficit. Actual revenues and expenditures, however, resulted in a deficit of \$593,553.

OTHER SUPPLEMENTARY INFORMATION

REGIONAL SCHOOL UNIT NO. 5
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

	ASSETS					Total Assets
	Cash/ Investments	Due from Other Funds	Accounts Receivable	Inventories	Total Assets	
Special Revenue Funds						
Title 1A disadvantaged	-	-	\$ 46,072	-	-	\$ 46,072
IDEA local entitlement grant	-	-	64,083	-	-	64,083
IDEA preschool grant	-	-	10,914	-	-	10,914
Getting to proficiency	-	20,337	-	-	-	20,337
Improving teacher quality	-	-	2,962	-	-	2,962
Student aspirations	8,643	20,169	-	-	-	28,812
Donations	-	42,194	-	-	-	42,194
Erate	-	7,380	-	-	-	7,380
Laptop protection	-	40,332	-	-	-	40,332
SAMSHA	-	101	-	-	-	101
Mentoring	-	10,497	-	-	-	10,497
Dollars for scholars	-	1,879	-	-	-	1,879
Performing arts center	-	41,945	-	-	-	41,945
Adult Education Enrichment	-	19,330	-	-	-	19,330
Total Special Revenues	<u>\$ 8,643</u>	<u>\$ 204,164</u>	<u>\$ 124,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,838</u>

REGIONAL SCHOOL UNIT NO. 5
 COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2018

LIABILITIES AND FUND BALANCE

	Accounts Payable	Accrued Salaries	Due to Other Funds	Fund Balance	Total Liabilities and Fund Balance
Special Revenue Funds					
Title 1A disadvantaged	\$ 115	\$ 19,433	\$ 26,524	\$ -	\$ 46,072
IDEA local entitlement grant	25,647	-	38,436	-	64,083
IDEA preschool grant	-	-	10,914	-	10,914
Getting to proficiency	-	-	-	20,337	20,337
Improving teacher quality	-	-	2,962	-	2,962
Student aspirations	-	-	-	28,812	28,812
Donations	-	-	-	42,194	42,194
Erate	-	-	-	7,380	7,380
Laptop protection	5,535	-	-	34,797	40,332
SAMSHA	-	-	-	101	101
Mentoring	-	-	-	10,497	10,497
Dollars for scholars	-	-	-	1,879	1,879
Performing arts center	-	-	-	41,945	41,945
Adult Education Enrichment	130	-	-	19,200	19,330
Total Special Revenues	\$ 31,427	\$ 19,433	\$ 78,836	\$ 207,142	\$ 336,838

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, 2018

	Fund Balances Beginning of Year	Program Revenues		Transfers In (Out)	Program Expenditures	Fund Balances End of Year
		Intergovernmental	Other			
Special Revenue Funds						
Title IA disadvantaged	\$ -	\$ 193,950	-	\$ -	\$ 193,950	\$ -
IDEA local entitlement grant	-	326,057	-	-	326,057	-
IDEA preschool grant	-	10,914	-	-	10,914	-
Getting to proficiency	20,337	-	-	-	-	20,337
Improving teacher quality	-	74,276	-	-	74,276	-
Student aspirations	30,428	-	754	-	2,370	28,812
Donations	42,754	-	-	-	560	42,194
Erate	-	-	7,380	-	-	7,380
Laptop protection	27,763	-	27,673	-	20,639	34,797
SAMSHA	101	-	-	-	-	101
Mentoring	10,497	-	-	-	-	10,497
Dollars for scholars	1,879	-	-	-	-	1,879
Performing arts center	30,316	-	19,660	-	8,031	41,945
Adult Ed Enrichment	30,659	-	42,534	(12,102)	41,891	19,200
Total Special Revenues	<u>\$ 194,734</u>	<u>\$ 605,197</u>	<u>\$ 98,001</u>	<u>\$ (12,102)</u>	<u>\$ 678,688</u>	<u>\$ 207,142</u>

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds							Total
	Student Activity Funds							
	Community Education Football	Freeport High School (Schedule 9)	Freeport Middle School (Schedule 10)	Durham Elementary School (Schedule 11)	Pownal Elementary School (Schedule 12)	Mast Landing School (Schedule 13)		
ASSETS:								
Cash/investment	\$ 4,627	\$ 183,153	\$ 58,479	\$ 43,939	\$ 10,422	\$ 8,005	\$ 308,625	
Due from other funds	1,494	-	-	-	-	-	1,494	
TOTAL ASSETS	<u>6,121</u>	<u>183,153</u>	<u>58,479</u>	<u>43,939</u>	<u>10,422</u>	<u>8,005</u>	<u>310,119</u>	
LIABILITIES:								
Due to other groups	6,121	183,153	58,479	43,939	10,422	8,005	310,119	
TOTAL NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

REGIONAL SCHOOL UNIT NO. 5
FREEPORT HIGH SCHOOL STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCES
YEAR ENDED JUNE 30, 2018

	<u>Balance 6/30/2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 6/30/2018</u>
5210 Grant	\$ 267	\$ 48	\$ 154	\$ 161
Amnest International	311	-	-	311
Art Club	287	2,500	1,019	1,768
Arthur Albert Smth Scholarship	160	20,150	19,400	910
Athletics	55,519	93,859	109,710	39,668
Band	3,658	1,031	2,409	2,280
Bradley Fellowship	1,805	3,450	2,578	2,677
Ceramics	346	-	-	346
Choices	-	1,027	1,034	(7)
Chorus	613	406	424	595
Chrome BookRepair	332	-	-	332
Class 2012	1,021	-	-	1,021
Class 2013	1,102	-	-	1,102
Class 2014	2,107	5,000	7,107	-
Class 2015	5,453	-	-	5,453
Class 2016	14,307	-	5,000	9,307
Class 2017	9,143	700	1,415	8,428
Class 2018	15,687	19,235	24,395	10,527
Class 2019	9,293	16,569	9,554	16,308
Class 2020	1,494	3,495	2,181	2,808
Class 2021	-	2,821	2,069	752
Custodians new	159	170	-	329
Drama/Musical	5,639	11,275	6,584	10,330
Engineering Class	2,322	-	1,672	650
English	134	-	-	134
Environment Club(EARTH)	1,290	5,546	5,425	1,411
Fishing Club	2,109	-	-	2,109
Foreign Language	32	-	-	32
FPaD Education Foundation	-	5,249	467	4,782
Friends of FHS	440	-	-	440
Gay/Straight All	579	45	320	304
GEMS new	185	-	142	43
Homecoming	4,993	1,868	351	6,510
JMG	3,770	2,937	3,153	3,554
Latin Club	57	2,687	2,662	82
Library	739	188	-	927
Math Team	220	60	280	-
Math Department	244	-	-	244
Melmac Scholarship	3,000	2,000	2,000	3,000
Subtotal	<u>148,817</u>	<u>202,316</u>	<u>211,505</u>	<u>139,628</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, 2018

	Balance 6/30/2017	Receipts	Disbursements	Balance 6/30/2018
Model UN	\$ 1,666	\$ 6,890	\$ 6,856	\$ 1,700
National Honor Society	36	-	-	36
NYC Trip	683	-	-	683
One Act Plays	2,521	2,002	24	4,499
Outdoor Club	-	140	100	40
Photography	1,608	-	-	1,608
Principal's Contingency	9,336	5,461	6,221	8,576
PTSO	1,566	628	1,670	524
Quebec Trip	75	-	-	75
Recycling Service Project	490	-	-	490
Scholarships	21	3,000	3,000	21
Science	326	25	101	250
Science Olympiad	9	-	-	9
Social Studies	142	-	-	142
Staff Wellness Initiative	399	-	-	399
Stem Lab	20	968	616	372
Student Council	1,400	2,130	1,779	1,751
Student Needs Fund	256	-	-	256
Student Services	986	20,471	18,641	2,816
Summer School	12,071	950	300	12,721
Sunshine Fund	241	182	216	207
Thomas Boat Grant	31	-	-	31
Thomas Max Scholarship	150	800	1,000	(50)
Videography	46	40	-	86
Yearbook	10,201	4,516	8,434	6,283
Sub-total	<u>44,280</u>	<u>48,203</u>	<u>48,958</u>	<u>43,525</u>
Grand Total	<u>\$ 193,097</u>	<u>\$ 250,519</u>	<u>\$ 260,463</u>	<u>\$ 183,153</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, 2018

	Balance 6/30/2017	Receipts	Disbursements	Balance 6/30/2018
Athletics	\$ 188	\$ 380	\$ 30	\$ 538
Band-Students	97	1,702	1,457	342
Bradley Grant	-	500	-	500
Class 2016	161	-	161	-
Class 2018	-	350	350	-
Class 2019	350	3,688	4,038	-
Class 2020	-	18,779	17,933	846
Coffee Fund	-	400	400	-
Drama	5,702	11,541	10,539	6,704
Fab Friday	1,834	12,628	12,511	1,951
Favreau-Technology	1,658	-	-	1,658
Field Hockey	-	938	772	166
FLS & Choices	104	25	-	129
Fpad	-	176	176	-
Gardening Club	235	-	-	235
General Fund	3,783	5,696	8,610	869
GT	913	-	-	913
Guidance	424	-	31	393
Interact Club	252	615	616	251
JMG	910	1,061	126	1,845
Library	422	2,714	2,435	701
Lisa Roney	100	-	-	100
Magazine Drive	4,543	11,511	13,463	2,591
Math Prof Dev	2,496	-	-	2,496
Mrs. Pritchard's Class	51	-	-	51
Musical Performances	7,393	585	573	7,405
O'Brien-Science	1,115	-	65	1,050
OM-DI	2,357	3,757	3,920	2,194
Parent Team	5,215	5,847	5,799	5,263
Peer Helpers	118	-	-	118
Postage	910	1,044	1,082	872
Project Adventure	124	-	-	124
Puffin Fund	2,827	1,000	-	3,827
Robotics Grant	222	-	-	222
Scholarship Fund	1,157	1,433	994	1,596
Space Camp	2,644	31,948	28,662	5,930
Sports Boosters	4,047	608	79	4,576
Sunshine Fund	57	135	69	123
Touch Tank	11	-	-	11
Travel Club	558	35,166	34,178	1,546
Yearbook	59	1,140	856	343
	<u>\$ 53,037</u>	<u>\$ 155,367</u>	<u>\$ 149,925</u>	<u>\$ 58,479</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, 2018

	Balance 6/30/2017	Receipts	Disbursements	Balance 6/30/2018
Computer	\$ 454	\$ -	\$ 454	\$ -
Dance	1,318	1,391	1,671	1,038
Drama	3,770	225	269	3,726
Exxon Mobil	99	-	-	99
Field Work	2,243	1,028	1,576	1,695
Garden	81	25	25	81
Grade 8	757	3,921	3,774	904
JMG	995	1,008	654	1,349
Library	195	250	236	209
Math	274	-	154	120
Music	1,924	1,415	1,587	1,752
Outing Club	1,308	3,446	3,487	1,267
PTA Field Work support	72	491	195	368
Reimbursement	1,946	757	2,579	124
School Activity	297	3,049	2,931	415
Sports Gate	1,207	-	200	1,007
Student Council	1,653	-	581	1,072
Telecommunications 0	1,783	-	150	1,633
Trips	24,454	10,556	9,381	25,629
Yearbook	844	2,405	1,798	1,451
	<u>\$ 45,674</u>	<u>\$ 29,967</u>	<u>\$ 31,702</u>	<u>\$ 43,939</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, 2018

	Balance 6/30/2017	Receipts	Disbursements	Balance 6/30/2018
Assembly Fund	\$ 217	\$ -	\$ -	\$ 217
Class Of 2014	1,611	4,979	4,814	1,776
Class Of 2015	179	-	-	179
Drama	52	-	52	-
Eco Maine	88	-	-	88
Fpd Grant	600	1,068	1,018	650
Fun Account	1,511	969	2,480	-
Garden	39	-	-	39
General	1,636	3,677	2,571	2,742
Holiday	-	200	175	25
Library	504	-	45	459
Library Grant	2,794	-	1,408	1,386
Postage	-	455	449	6
Snacks	642	-	25	617
Summer Day Camp	369	-	-	369
Water/Soda Account	77	72	29	120
Wellness	920	-	-	920
Yearbook	204	326	-	530
Youth Soccer	183	432	316	299
	<u>\$ 11,626</u>	<u>\$ 12,178</u>	<u>\$ 13,382</u>	<u>\$ 10,422</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, 2018

	Balance 6/30/2017	Receipts	Disbursements	Balance 6/30/2018
Bradley Foundation	\$ 1,502	\$ 405	\$ 599	\$ 1,308
Cole Grant	7	-	7	-
Drama	2,717	1,956	3,015	1,658
Eco Maine	-	680	403	277
Fpad Grant	3,080	4,000	6,632	448
Fuel Up	484	-	484	-
Guidance	29	275	100	204
Library	974	1,943	1,767	1,150
Music/Art	181	1,254	1,244	191
Office	1,015	36,095	34,523	2,587
PTC	14,056	-	14,056	-
School Store	233	49	100	182
Wellness	30	-	30	-
	<u>\$ 24,308</u>	<u>\$ 46,657</u>	<u>\$ 62,960</u>	<u>\$ 8,005</u>