

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



JUNE 30, 2019

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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, 2019, 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, 2019, 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 - 46 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 8 through 15 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 8 through 15 are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of Regional School Unit No. 5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Regional School Unit No. 5's internal control over financial reporting and compliance.



Berry Talbot Royer
Certified Public Accountants
Falmouth, Maine
December 17, 2019



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, 2019

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, 2019. 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 \$16,016,515.
- Capital assets of the RSU, net of depreciation, totaling \$43,448,353.

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 \$16,016,515 for the fiscal year ended June 30, 2019.

Table 1
Statement of Net Position

	Governmental Activities	
	2019	2018
		(restated)
Current and other assets	\$ 5,529,791	\$ 6,148,862
Capital assets	43,448,353	44,232,270
Total assets	48,978,144	50,381,132
Deferred outflows of resources	708,515	695,578
Current and long-term liabilities	33,454,691	35,591,463
Deferred inflows of resources	215,453	73,118
Net position		
Investment in capital assets	18,674,784	17,398,694
Restricted	697,116	613,204
Unrestricted	(3,355,385)	(2,599,769)
Total net position	\$ 16,016,515	\$ 15,412,129

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 2019 net book value of fixed assets (capital assets, net of depreciation) by asset class.

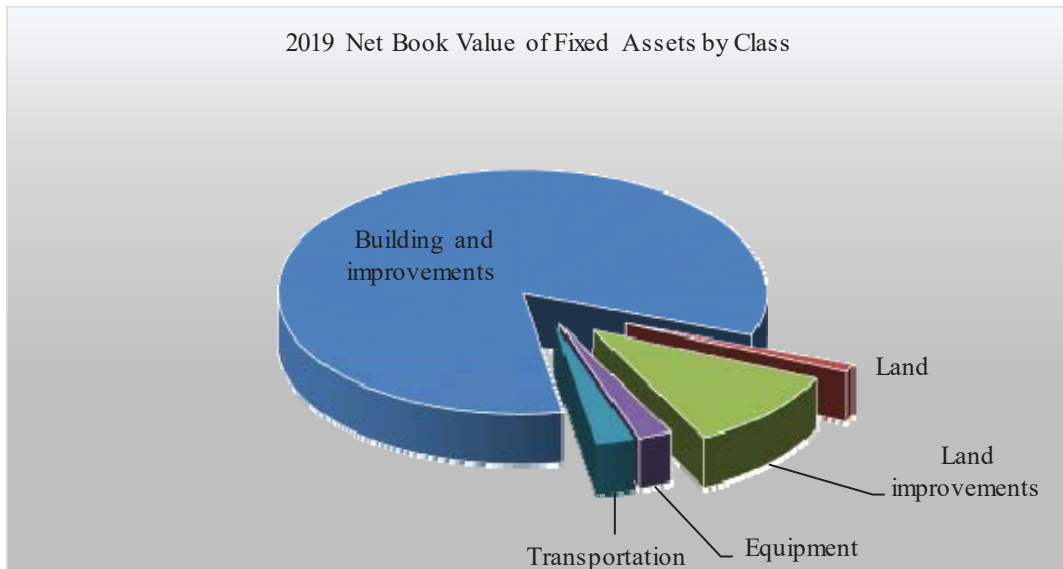


Chart A – Net Book Value of Fixed Asset Classes

Table 2 presents a summary of the RSU's changes in net position for the fiscal year ended June 30, 2019.

Table 2
Changes in Net Position

	Governmental Activities	
	2019	2018
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 1,095,029	\$ 1,140,945
Operating grants and contributions	2,731,775	2,674,927
<i>General revenues:</i>		
Town assessments	26,130,263	25,132,037
Subsidies	5,905,100	5,848,512
Interest earned	50,815	30,361
Miscellaneous	139,913	130,217
Total revenues	36,052,895	34,956,999
Expenses		
Student and staff support	3,225,030	2,938,847
School administration	1,561,608	1,475,086
Facilities maintenance	5,061,916	4,287,886
Career and technical education	74,492	574,097
Crossing guards	231	789
Regular instruction	13,600,431	12,133,716
Other instruction	776,412	714,364
System administration	894,646	808,106
Transportation services	1,401,953	1,310,022
Debt service	457,432	504,699
Special education services	4,809,915	4,561,541
Adult education	139,497	154,304
Community education	627,103	594,553
Capital improvement and fuel expenses	9,393	261,541
Program expenditures	968,117	889,357
On-behalf payments	1,478,948	1,631,045
Total expenses	35,087,124	32,839,953
Special items	361,385	-
Increase in Net Position	\$ 604,386	\$ 2,117,046

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

Table 3
Fiscal Year ended June 30, 2019
Net Cost of Governmental Activities

Function/Program:	Total Cost of Services	Net Cost of Services
Instruction and support	\$ 22,486,280	\$ (21,684,610)
Transportation	1,401,953	(1,401,953)
Facilities maintenance	5,061,916	(5,061,916)
Administration	2,456,254	(2,456,254)
Debt service	457,432	(457,432)
Capital Improvement and Fuel Expenses	9,393	140,078
Other	<u>3,213,896</u>	<u>(338,233)</u>
 Total governmental activities	 <u>\$ 35,087,124</u>	 <u>\$ (31,260,320)</u>

General Fund Revenues Budget to Actual Summary

Revenues:	Budget	Actual	Variance
Town assessments	\$ 25,768,878	\$ 26,130,263	\$ 361,385
Intergovernmental	5,998,766	5,959,179	(39,587)
Charges for Services	64,595	86,826	22,231
Other	<u>147,622</u>	<u>186,392</u>	<u>38,770</u>
	<u>\$ 31,979,861</u>	<u>\$ 32,362,660</u>	<u>\$ 382,799</u>

The following chart depicts program revenues by source.

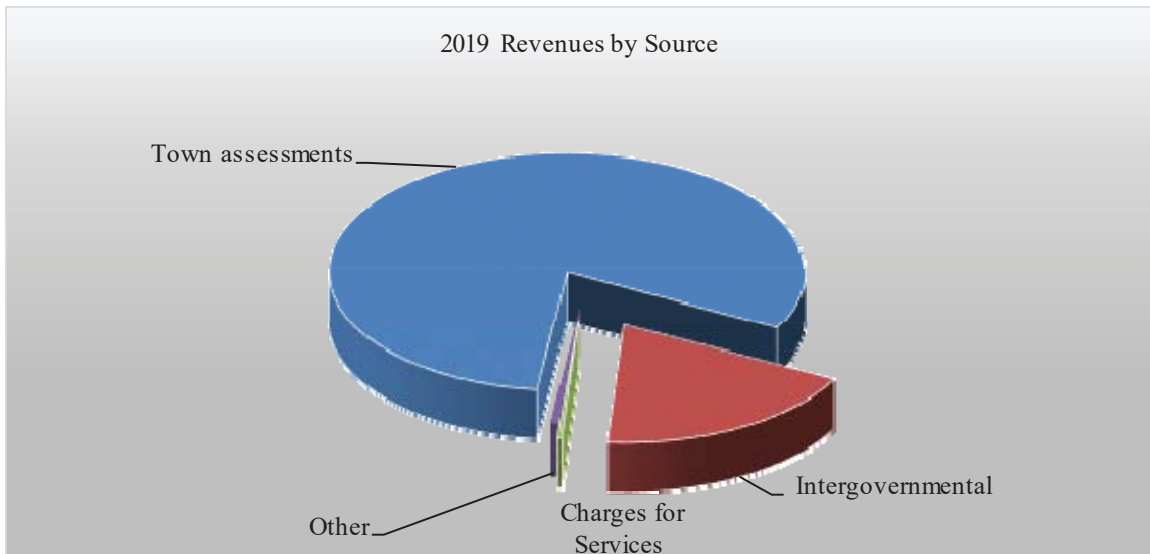


Chart B – Revenues by Source

General Fund Expenditures Budget to Actual Summary

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Student and staff support	\$ 3,378,003	\$ 3,223,975	\$ 154,028
School administration	1,536,593	1,534,924	1,669
Facilities maintenance	4,973,283	4,972,765	518
Crossing guard	74,492	74,492	-
Career and technical education	1,400	231	1,169
Regular instruction	13,280,187	13,202,620	77,567
Other instruction	778,737	774,618	4,119
System administration	909,151	893,799	15,352
Transportation services	1,525,989	1,525,803	186
Debt service	1,613,149	1,613,148	1
Special education services	4,606,796	4,303,080	303,716
Capital Improvement and Fuel Expenses	-	122,000	(122,000)
Adult education	237,747	190,120	47,627
	<u>\$ 32,915,527</u>	<u>\$ 32,431,575</u>	<u>\$ 483,952</u>

Chart C graphically depicts expenditures by function.

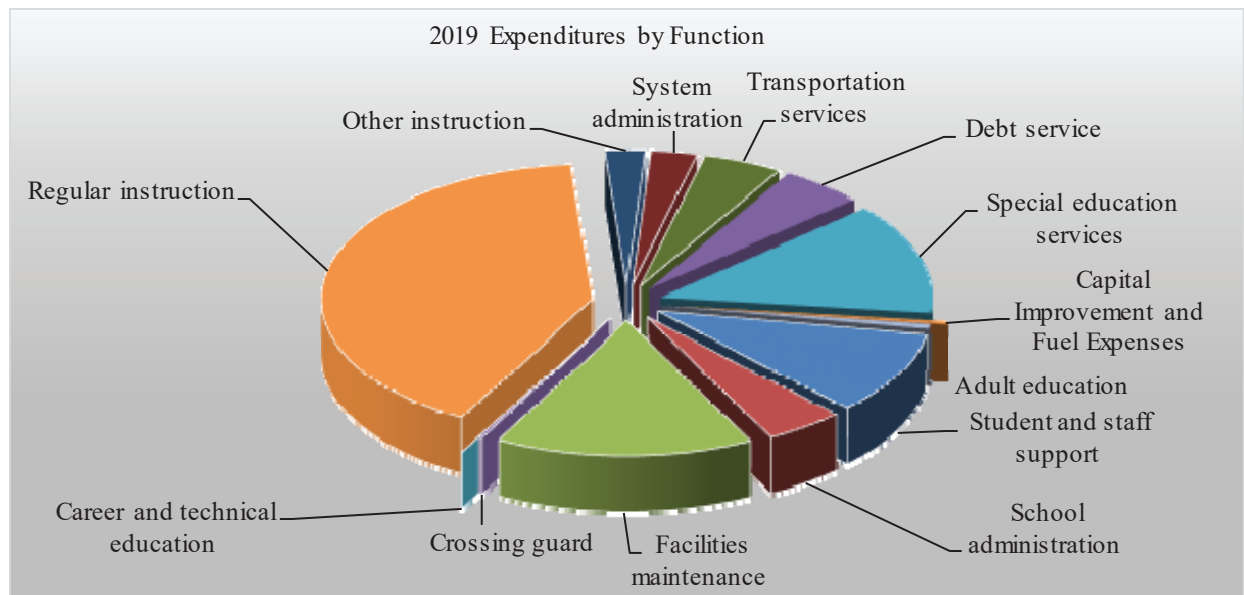


Chart C – Expenditures by Function

FINANCIAL ANALYSIS OF THE RSU'S FUNDS

As of June 30, 2019, the RSU's governmental funds balance totaled \$2,395,591.

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, 2019, the RSU had \$43,448,353 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 4
Governmental Activities Capital Assets
(Net of Depreciation)

	2019	2018
Land	\$ 447,285	\$ 447,285
Land improvements	4,705,363	4,683,726
Building and building improvements	36,221,671	35,127,579
Equipment and vehicles	2,074,034	1,889,447
Construction in progress	-	2,084,233
	\$ 43,448,353	\$ 44,232,270

DEBT ADMINISTRATION

At the end of the year RSU had a total of \$23,727,186 of general obligation long-term debt. In addition, the capital lease purchase obligations for copiers totaled \$324,640.

The following is a summary of long-term debt transactions and capital lease obligations of the RSU for the year ended June 30, 2019.

Table 5
General Long-term Debt and Lease Obligations

	General Long-term Debt and Lease Obligations	
	2019	2018
Debt payable at July 1	\$ 26,308,955	\$ 28,004,133
Debt additions	120,265	737,240
Debt retired	(2,377,394)	(2,432,418)
Debt payable at June 30	\$ 24,051,826	\$ 26,308,955

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Administration, staff, and the Board worked creatively to create a responsible operating budget for the 2019-2020 school year. The increase over the previous year's budget was \$1,134,271. The 2019-2020 budget includes an increase of 2.75 teachers due to increased enrollment, additional support for special education, an increase of 2.5 ed techs to support the social/emotional needs of students, expansion of the PreK program, and additional money for experiential learning/field work. The transportation department budget includes an additional van, van driver, and bus aide. Local assessments for the approved 2019-2020 budget were broken down as follows: Durham - \$5,225,092; Freeport -\$18,818,939; and Pownal - \$3,105,394.

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, 2019

	Governmental Activities
ASSETS:	
Cash/investments	\$ 5,006,918
Cash held by third party	47,995
Accounts receivable	465,220
Inventories	9,658
Capital assets:	
Land	447,285
Other capital assets, net of depreciation	43,001,068
Total capital assets	43,448,353
TOTAL ASSETS	48,978,144
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows for pensions	708,515
 LIABILITIES:	
Accounts payable	598,910
Accrued salaries and benefits	2,530,398
Due to fiduciary funds	4,893
Current portion of long-term debt, (including current portion of bond premiums of \$91,143)	2,432,861
Total current liabilities	5,567,062
Long-term liabilities	
Compensated absences payable	428,024
Accrued interest	169,298
Long-term debt, (including long-term portion of bond premiums of \$630,600)	22,340,708
Net pension liability	193,319
Net other post-employment benefits liability	4,756,280
Total non-current liabilities	27,887,629
TOTAL LIABILITIES	33,454,691
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows for pensions	31,163
Deferred inflows for other post-employment benefits	184,290
	215,453
 NET POSITION:	
Net investment in capital assets	18,674,784
Restricted	697,116
Unrestricted (Deficit)	(3,355,385)
TOTAL NET POSITION	\$ 16,016,515

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Revenue and Changes in Net Position
				<u>Governmental Activities</u>
FUNCTIONS				
Primary government				
Governmental activities				
Student and staff support	\$ 3,225,030	\$ -	\$ -	\$ (3,225,030)
School administration	1,561,608	-	-	(1,561,608)
Facilities maintenance	5,061,916	-	-	(5,061,916)
Career and technical education	74,492	-	-	(74,492)
Crossing guards	231	-	-	(231)
Regular instruction	13,600,431	32,425	255,091	(13,312,915)
Other instruction	776,412	-	-	(776,412)
System administration	894,646	-	-	(894,646)
Transportation services	1,401,953	-	-	(1,401,953)
Debt service	457,432	-	-	(457,432)
Special education services	4,809,915	9,326	504,828	(4,295,761)
Adult education	139,497	-	44,753	(94,744)
Community education	627,103	636,948	2,894	12,739
Capital Improvements and Fuel Expenses	9,393	-	149,471	140,078
Program expenditures	968,117	416,330	295,790	(255,997)
MainePERS on-behalf payments	1,478,948	-	1,478,948	-
Total governmental activities	<u>35,087,124</u>	<u>1,095,029</u>	<u>2,731,775</u>	<u>(31,260,320)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 35,087,124</u>	<u>\$ 1,095,029</u>	<u>\$ 2,731,775</u>	

General revenues and special items:

Taxes:

Local assessments - K - 12	26,018,263
Local assessments - adult education	112,000
State allocation	5,905,100
Investment earnings	50,815
Special item	(361,385)
Miscellaneous	139,913
	<u>31,864,706</u>
Change in net position	604,386
Net Position - July 1, 2018 (restated)	<u>15,412,129</u>
Net Position - June 30, 2019	<u>\$ 16,016,515</u>

REGIONAL SCHOOL UNIT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	High School Renovation Project	Tri-Town Track & Field Project	School Nutrition Program	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash/investments	\$ 2,702,784	\$ 1,165,503	\$ -	\$ 381,341	\$ 757,292	\$ 5,006,920
Cash held by third party	47,995	-	-	-	-	47,995
Accounts receivable	112,004	-	20,015	123,365	209,834	465,218
Due from other funds	2,282,086	-	-	-	183,471	2,465,557
Inventories	-	-	-	9,658	-	9,658
TOTAL ASSETS	\$ 5,144,869	\$ 1,165,503	\$ 20,015	\$ 514,364	\$ 1,150,597	\$ 7,995,348
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 576,860	\$ -	\$ -	\$ 3,109	\$ 18,940	\$ 598,909
Accrued salaries and benefits	2,522,008	-	-	108	8,282	2,530,398
Due to other funds	183,471	1,001,938	29,070	648,892	607,079	2,470,450
Total liabilities	3,282,339	1,001,938	29,070	652,109	634,301	5,599,757
Fund balances:						
Nonspendable	-	-	-	9,658	-	9,658
Restricted for:						
Special revenues	-	-	-	-	524,299	524,299
Capital projects funds	-	163,565	-	-	-	163,565
Adult Education	17,256	-	-	-	-	17,256
Committed for:						
Capital improvements and fuel oil expenditures	600,175	-	-	-	-	600,175
Assigned for:						
Use of fund balance	596,000	-	-	-	-	596,000
Unassigned (deficit)	649,099	-	(9,055)	(147,403)	(8,003)	484,638
Total fund balances (Deficit)	1,862,530	163,565	(9,055)	(137,745)	516,296	2,395,591
TOTAL LIABILITIES AND FUND BALANCES:	\$ 5,144,869	\$ 1,165,503	\$ 20,015	\$ 514,364	\$ 1,150,597	\$ 7,995,348

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, 2019

Net change in fund balances - total governmental funds (from Statement 3)		\$ 2,395,591
<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>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,448,353
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (23,727,186)	
Bond premiums	(721,743)	
Capital leases payable	(324,640)	
Compensated absences payable	(428,024)	
Accrued interest	<u>(169,299)</u>	(25,370,892)
Adjustments related to pensions		
Unamortized deferred outflows of resources - pensions	708,515	
Unamortized deferred inflows of resources - pensions	(31,163)	
Unamortized deferred inflows of resources - other post-retirement benefits	(184,290)	
Net pension liability	(193,319)	
Net other post-retirement benefits liability	<u>(4,756,280)</u>	<u>(4,456,537)</u>
Net position of governmental activities (see Statement 1)		<u>\$ 16,016,515</u>

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	High School Renovation Project	Tri-Town Track & Field Project	School Nutrition Program	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Local assessments	\$ 26,130,263	-	\$ -	-	-	\$ 26,130,263
Intergovernmental	5,959,179	-	-	295,790	759,914	7,014,883
Charges for services	-	-	-	329,505	756,199	1,085,704
Interest earned	46,475	4,340	-	-	-	50,815
Intergovernmental on-behalf payments	1,478,948	-	-	-	-	1,478,948
Donations	-	-	149,471	-	-	149,471
Miscellaneous	139,917	-	-	-	2,898	142,815
Total revenues	<u>33,754,782</u>	<u>4,340</u>	<u>149,471</u>	<u>625,295</u>	<u>1,519,011</u>	<u>36,052,899</u>
EXPENDITURES:						
Student and staff support	3,223,975	-	-	-	-	3,223,975
School administration	1,534,924	-	-	-	-	1,534,924
Facilities maintenance	4,972,765	-	-	-	-	4,972,765
Career and technical education	74,492	-	-	-	-	74,492
Crossing guard	231	-	-	-	-	231
Regular instruction	13,233,260	-	-	-	345,816	13,579,076
Other instruction	774,618	-	-	-	932	775,550
System administration	893,799	-	-	-	-	893,799
Transportation services	1,615,428	-	-	-	-	1,615,428
Debt service	1,613,148	-	-	-	-	1,613,148
Special education services	4,303,080	-	-	-	504,827	4,807,907
Adult education	139,497	-	-	-	-	139,497
Capital Improvements and Fuel Expenses	122,000	215,811	166,819	-	-	504,630
Program expenditures	-	-	-	909,347	677,724	1,587,071
Maine state retirement on-behalf payments	1,478,948	-	-	-	-	1,478,948
Total expenditures	<u>33,980,165</u>	<u>215,811</u>	<u>166,819</u>	<u>909,347</u>	<u>1,529,299</u>	<u>36,801,441</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(225,383)	(211,471)	(17,348)	(284,052)	(10,288)	(748,542)
OTHER FINANCING SOURCES (USES):						
Bond and capital lease proceeds	120,265	-	-	-	-	120,265
Special item-over-assessment	(361,385)	-	-	-	-	(361,385)
Transfers in (out)	(268,245)	-	-	268,245	-	-
	(509,365)	-	-	268,245	-	(241,120)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(734,748)	(211,471)	(17,348)	(15,807)	(10,288)	(989,662)
FUND BALANCES (DEFICIT) - JULY 1, 2018	2,597,278	375,036	8,293	(121,938)	526,584	3,385,253
FUND BALANCES (DEFICIT) - JUNE 30, 2019	<u>\$ 1,862,530</u>	<u>\$ 163,565</u>	<u>\$ (9,055)</u>	<u>\$ (137,745)</u>	<u>\$ 516,296</u>	<u>\$ 2,395,591</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, 2019

Net change in fund balances - total governmental funds (from Statement 5) \$ (989,662)

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	\$ 807,204	
Depreciation	<u>(1,591,121)</u>	(783,917)

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	(120,265)	
Capital lease repayments	280,161	
Long-term debt repayment	<u>2,097,234</u>	2,257,130

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	15,059	
Change in deferred bond premiums	99,586	
Change in accrued interest	15,982	
District pension contribution	653,750	
Cost of benefits earned net of employee contributions	(614,822)	
Net adjustment related to other post-employment benefits	<u>(48,720)</u>	<u>120,835</u>

Change in net position of governmental activities (see Statement 2) \$ 604,386

REGIONAL SCHOOL UNIT NO. 5
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS:	
Cash/investments	\$ 280,287
Due from other funds	4,893
Total Assets	285,180
 LIABILITIES:	
Due to other groups	285,180
	285,180
 NET POSITION:	
Held in trust for other purposes	\$ -

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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. It 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 Statement of Activities points out 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 Statement of Activities reports the gross and net costs of RSU #5's governmental activities. It 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, 2019

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, 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, 2019

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, 2019

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 \$708,515 related to a pension obligation as of June 30, 2019.

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 \$31,163 related to a pension obligation as of June 30, 2019 and \$184,290 related to an other post-employment benefits liability.

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-GLI Plan) and the Maine Education Association Benefits Trust (MEABT) Post-retirement Benefit Plan (OPEB-Health), and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans.

For these purposes, the Pension Plan and the OPEB Plans recognize additions when earned and measurable, and 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, 2019

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	\$ 54,127,281
Accumulated depreciation	(10,678,928)
Bonds, notes, and leases payable	(24,051,826)
Accrued bond premiums	<u>(721,743)</u>
Net investment in capital assets	<u>\$ 18,674,784</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, 2019

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, 2019, RSU #5 reported deposits of \$5,287,200 with a bank balance of \$5,890,894. Of RSU #5's bank balances, \$2,279,471 was covered by FDIC insurance and \$3,611,423 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, 2019

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, 2019, the carrying value of amounts held by the MSMA Unemployment Compensation Trust Fund was \$47,995. 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, 2019 were as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 2,282,086	\$ 183,471
High school renovation project	-	1,001,938
Tri-town track & field project	-	29,070
School nutrition program	-	648,892
Nonmajor special revenue	183,471	607,079
Agency funds	4,893	-
	\$ 2,470,450	\$ 2,470,450

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, 2019 consisted of the following:

	Transfers In	Transfers Out
General fund	\$ -	\$ 268,245
School nutrition program	268,245	-
	\$ 268,245	\$ 268,245

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, 2019

NOTE 4: CAPITAL ASSETS

Capital asset activity during the fiscal year:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Transfers</u>	<u>Balance 6/30/2019</u>
Capital assets not being depreciated				
Land	\$ 447,285	\$ -	\$ -	\$ 447,285
Construction in progress	<u>2,084,233</u>	-	<u>(2,084,233)</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,531,518</u>	-	<u>(2,084,233)</u>	<u>447,285</u>
Capital assets being depreciated				
Land improvements	4,804,796	267,585	-	5,072,381
Buildings and improvements	42,372,095	81,939	2,084,233	44,538,267
Transportation	1,899,618	89,625	-	1,989,243
Equipment	<u>1,712,050</u>	<u>368,055</u>	-	<u>2,080,105</u>
Total capital assets being depreciated	<u>50,788,559</u>	<u>807,204</u>	<u>2,084,233</u>	<u>53,679,996</u>
Total capital assets	53,320,077	807,204	-	54,127,281
Less: Accumulated depreciation				
Land improvements	121,070	245,948	-	367,018
Buildings and improvements	7,244,516	1,072,080	-	8,316,596
Transportation	744,675	135,519	-	880,194
Equipment	<u>977,546</u>	<u>137,574</u>	-	<u>1,115,120</u>
Total accumulated depreciation	<u>9,087,807</u>	<u>1,591,121</u>	-	<u>10,678,928</u>
Total net capital assets	<u>\$ 44,232,270</u>	<u>\$ (783,917)</u>	<u>\$ -</u>	<u>\$ 43,448,353</u>

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 1,337,940
Transportation	131,012
School lunch	8,149
Instructions	113,173
Administration	<u>847</u>
Total depreciation	<u>\$ 1,591,121</u>

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Transportation	\$ 783,837	\$ 95,623
Instructions	<u>152,628</u>	<u>94,955</u>
Total	<u>\$ 936,465</u>	<u>\$ 190,578</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 25,824,419	\$ -	\$ (2,097,233)	\$ 23,727,186	\$ 2,057,234
Capital leases payable	<u>484,536</u>	<u>120,265</u>	<u>(280,161)</u>	<u>324,640</u>	<u>284,484</u>
Total bonds and notes payable	26,308,955	120,265	(2,377,394)	24,051,826	2,341,718
Compensated absences	<u>443,083</u>	<u>15,059</u>	<u>-</u>	<u>428,024</u>	<u>-</u>
	<u>\$ 26,752,038</u>	<u>\$ 135,324</u>	<u>\$ (2,377,394)</u>	<u>\$ 24,479,850</u>	<u>\$ 2,341,718</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, 2019, are as follows:

	Year Ending	
	June 30,	Amount
	2020	\$ 294,959
	2021	<u>41,732</u>
Total minimum lease payments		336,691
Amount representing interest		<u>(12,051)</u>
Present value of net minimum lease payments		324,640
Current maturities of capital lease obligations		<u>(284,484)</u>
Long-term capital lease obligations		<u>\$ 40,156</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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

Long-Term Debt Obligations

General long-term debt payable consists of the following:

Town of Freeport

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. \$ 288,864

Town of Freeport

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. 875,000

Town of Freeport

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. 35,000

Maine Municipal Bond Bank

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. 1,197,185

Maine Municipal Bond Bank

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 9,751,137

US Bank

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. 11,580,000

\$ 23,727,186

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019 is as follows:

Year Ending June 30	Principal	Interest	Total
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	1,675,302	561,533	2,236,835
2025-2029	8,376,510	1,830,832	10,207,342
2030-2034	4,395,303	509,864	4,905,167
2035-2036	1,360,000	44,030	1,404,030
	<u>\$ 23,727,186</u>	<u>\$ 6,022,746</u>	<u>\$ 29,749,932</u>

Interest expense was \$996,956 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, 2019.

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, 2019

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, 2019. 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, 2019.

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, 2018 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, 2018 there were 304 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 2.4%.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2018, 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, 2019. 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, 2019, 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	\$ 168,559
State's proportionate share of the net pension liability associated with RSU #5	<u>16,140,965</u>
Total	<u>\$ 16,309,524</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, 2018, for the SET plan, the RSU's proportion was 0.012491%, which was an increase of 0.002892% from its proportion measured as of June 30, 2017. At June 30, 2018, for the PLD plan, the District's proportion was 0.009047%, which was a decrease of 0.000216% from its proportion measured as of June 30, 2017.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019, the RSU recognized total pension expense of \$1,446,019 and revenue of \$1,478,948 for support provided by the State related to the SET plan, resulting in a net pension revenue of \$38,929. At June 30, 2019, 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	\$ 5,149	\$ -	\$ 78	\$ 272	\$ 5,227	\$ 272
Change of assumptions	10,603	-	3,952	-	14,555	-
Net difference between projected and actual earnings on pension plan investments	-	21,912	-	5,979	-	27,891
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,983	-	-	3,000	34,983	3,000
RSU #5's contributions subsequent to the measurement date	<u>653,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>653,750</u>	<u>-</u>
Total	<u>\$ 704,485</u>	<u>\$ 21,912</u>	<u>\$ 4,030</u>	<u>\$ 9,251</u>	<u>\$ 708,515</u>	<u>\$ 31,163</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 \$653,750, 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 2019	\$ 34,643	\$ 542	\$ 35,185
Fiscal year 2020	15,665	(151)	15,514
Fiscal year 2021	(15,599)	(4,067)	(19,666)
Fiscal year 2022	<u>(5,886)</u>	<u>(1,545)</u>	<u>(7,431)</u>
Total	<u>\$ 28,823</u>	<u>\$ (5,221)</u>	<u>\$ 23,602</u>

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2018 and 2017, 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, 2018, and June 30, 2017, are as follows:

Investment Rate of Return - For both Plans, 6.75% per annum for 2018; and 6.875% per annum for 2017, compounded annually

Inflation Rate - For both Plans, 2.75% (2018 and 2017)

Salary Increases, Merit and Inflation - State employees, 2.75% to 8.75% (2018 and 2017); Teachers, 2.75% to 14.50% (2018 and 2017); all participants in the PLD Plan, 2.75% to 9.00% (2018 and 2017)

Cost of Living Benefit Increases - 2.20% for the Teachers (2018 and 2017); 1.91% and 2.20% for the PLD Consolidated Plan for 2018 and 2017, respectively

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, 2019

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, 2018 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 6.75% for 2018 and 6.875% for 2017 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, 2019

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 6.75%, 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
SET Plan:			
RSU #5's proportionate share of the net pension liability	\$ 311,497	\$ 168,559	\$ 49,515
PLD Plan			
Net pension liability	58,355	24,760	(6,643)
Total	\$ 369,852	\$ 193,319	\$ 42,872

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

GLI 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, 2018, there were 220 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.

GLI OPEB Plan 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).

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

GLI OPEB Plan Benefits (Continued)

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.

GLI OPEB Plan 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.

GLI OPEB Plan 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>

Health Insurance OPEB Plan Description

The RSU sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Health Insurance OPEB Plan Benefits

MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement, and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and/or spouse.

At June 30, 2018, the following were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	106
Inactive employee entitled to but not yet receiving benefit payments	-
Active employees	291
Total	450

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS PLAN (Continued)

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

GLI OPEB Plan

The net OPEB liability, deferred inflows of resources and deferred outflows of resources related to OPEB were measured at June 30, 2018, 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, 2019.

The RSU currently has no proportionate share of the collective net OPEB liability. Therefore, at June 30, 2018, 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 \$345,781. Likewise, for the year ended June 30, 2019, the RSU recognized no OPEB expense (related to the MainePERS GLI OPEB Plan).

OPEB Plan Reporting

GLI OPEB Plan

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.

Health Insurance OPEB Plan

The RSU's total OPEB liability of \$4,756,280 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 4,891,850
Changes for the year:	
Service Cost	54,674
Interest	174,430
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(215,005)
Benefit payments	<u>(149,669)</u>
Net changes	<u>(135,570)</u>
Balance at June 30, 2019	<u><u>\$ 4,756,280</u></u>

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 10: Other Post-Employment Benefits Plans (Continued)

Health Insurance OPEB Plan (Continued)

For the year ended June 30, 2019, the RSU recognized OPEB expense of \$48,720. At June 30, 2019, the RSU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in Assumptions and other inputs	-	184,290
Differences between expected and actual earnings on OPEB plan investments	-	-
Total	\$ -	\$ 184,290

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:		
2020	\$	(30,715)
2021		(30,715)
2022		(30,715)
2023		(30,715)
2024		(30,715)
Thereafter		(30,715)
		\$ (184,290)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

Note 10: Other Post-Employment Benefits Plans (Continued)

Discount Rate

The rate used to measure the total OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon the Bond Buyer 20-Bond GO Index. This rate is assumed to be an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Total Health OPEB Liability to Changes in the Discount Rate

The following presents the RSU's total Health OPEB liability calculated using the discount rate of 3.87%, as well as what the RSU's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$ 5,561,563	\$ 4,756,280	\$ 4,111,395

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the RSU's total OPEB liability calculated using the healthcare cost trend rates, as well as what the RSU's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 4,072,722	\$ 4,756,280	\$ 5,613,196

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11: COMPONENTS OF FUND BALANCE

As of June 30, 2019, 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	\$ -	\$ -	\$ 500,175	\$ -	\$ -
Fuel reserve	-	-	100,000	-	-
Adult Education	-	17,256	-	-	-
Use of fund balance	-	-	-	596,000	-
Unassigned	-	-	-	-	649,099
School lunch program	9,658	-	-	-	(147,403)
High school renovation project	-	163,565	-	-	-
Tri-town track & field project	-	-	-	-	(9,055)
Other governmental funds:					
Special revenues					
Getting to proficiency grant	-	11,337	-	-	-
Student aspirations	-	28,816	-	-	-
Donations	-	41,801	-	-	-
Erate	-	7,380	-	-	-
Track and field activity	-	-	-	-	(932)
Laptop protection	-	-	-	-	(7,071)
SAMSHA	-	101	-	-	-
Mentoring	-	10,497	-	-	-
Dollars for scholars	-	1,879	-	-	-
Performing arts center	-	34,904	-	-	-
Community education	-	332,181	-	-	-
Adult education	-	55,403	-	-	-
Total	<u>\$ 9,658</u>	<u>\$ 705,120</u>	<u>\$ 600,175</u>	<u>\$ 596,000</u>	<u>\$ 484,638</u>

NOTE 12: DEFICIT FUND BALANCE

RSU #5's Special Revenue School Lunch Program, Track and Field Activity Fund, and Laptop Protection Program are carrying forward fund deficits as of June 30, 2019. These School Lunch and Laptop Protection Programs' deficits will be funded by future operations and transfers from the general fund. The Capital Projects Tri-Town Track & Field Project's deficit fund balance will be funded by donations to be received in FY2020.

NOTE 13: PRIOR PERIOD RESTATEMENT

The RSU has restated the beginning net position in the government-wide statement of net position, as of July 1, 2018, to account for the addition of the RSU's total OPEB liability relating to an implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT). The effect was to decrease the District's net position as of July 1, 2018 by \$4,891,850.

NOTE 14: SPECIAL ITEM

Management determined that they had inadvertently over-assessed the member towns by \$361,385. The effect of this is that a "special item" charge was made to record the related obligation to the member towns. The amount of the over-assessment will be reimbursed in future periods.

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15: 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 16: SUBSEQUENT EVENTS

In preparing these financial statements, RSU #5 has evaluated events and transactions for potential recognition or disclosure through December 17, 2019, 2019, 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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Town assessments (includes adult education of \$112,000)	\$ 25,768,878	\$ 25,768,878	\$ 26,130,263	\$ 361,385
State shared revenues:				
General	5,951,626	5,905,100	5,905,100	-
State agency client	5,000	5,000	-	(5,000)
Medicaid Reimbursement	45,000	45,000	9,326	(35,674)
Adult education subsidy	43,666	43,666	44,753	1,087
	<u>6,045,292</u>	<u>5,998,766</u>	<u>5,959,179</u>	<u>(39,587)</u>
Charges for Services - Adult Education	64,595	64,595	86,826	22,231
Other:				
Interest earnings	19,900	19,900	46,475	26,575
Miscellaneous	127,722	127,722	139,917	12,195
	<u>147,622</u>	<u>147,622</u>	<u>186,392</u>	<u>38,770</u>
TOTAL REVENUES	<u>32,026,387</u>	<u>31,979,861</u>	<u>32,362,660</u>	<u>382,799</u>
EXPENDITURES-BY FUNCTIONS:				
Student and staff support	3,436,203	3,378,003	3,223,975	154,028
School administration	1,536,593	1,536,593	1,534,924	1,669
Facilities maintenance	4,891,383	4,973,283	4,972,765	518
Career and technical education	74,492	74,492	74,492	-
Crossing guard	1,400	1,400	231	1,169
Regular instruction	13,378,387	13,280,187	13,202,620	77,567
Other instruction	778,737	778,737	774,618	4,119
System administration	928,151	909,151	893,799	15,352
Transportation services	1,432,490	1,525,989	1,525,803	186
Debt service	1,613,149	1,613,149	1,613,148	1
Special education services	4,606,795	4,606,796	4,303,080	303,716
Other outlays:				
Capital improvements and fuel expenses	-	-	122,000	(122,000)
Adult education	237,747	237,747	190,120	47,627
TOTAL EXPENDITURES-BY FUNCTION	<u>32,915,527</u>	<u>32,915,527</u>	<u>32,431,575</u>	<u>483,952</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(889,140)</u>	<u>(935,666)</u>	<u>(68,915)</u>	<u>866,751</u>

REGIONAL SCHOOL UNIT NO. 5
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - GENERAL FUND - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (889,140)	\$ (935,666)	\$ (68,915)	\$ 866,751
OTHER FINANCING SOURCES (USES):				
Special item-over-assessment	-	-	(361,385)	(361,385)
Transfer out to school lunch program	(268,245)	(268,245)	(268,245)	-
TOTAL OTHER FINANCING SOURCES (USES)	(268,245)	(268,245)	(629,630)	(361,385)
BUDGETARY SURPLUS (DEFICIT)	\$ (1,157,385)	\$ (1,203,911)	\$ (698,545)	\$ 505,366
 COMPONENTS OF THE SCHOOL'S BUDGETARY SURPLUS (DEFICIT)				
Committed				
Capital improvement reserve	\$ -	\$ -	\$ -	
Assigned				
Use of fund balance	(796,000)	(796,000)	200,000	
Unassigned	(361,385)	(407,911)	(898,545)	
	\$ (1,157,385)	\$ (1,203,911)	\$ (698,545)	

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 Six 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	Total	RSU #5's covered-employee payroll	RSU #5's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	2018	0.012491%	\$ 168,559	\$ 16,140,965	\$ 16,309,524	\$ 14,884,696	1.13%
2017	0.009599%	139,429	16,878,129	17,017,558	14,161,782	0.98%	80.78%
2016	0.008086%	142,835	16,140,965	16,283,800	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 June 30th of the year indicated.

*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.*

REGIONAL SCHOOL UNIT NO. 5
SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS
MAINEPERS STATE EMPLOYEE AND TEACHER PLAN
EMPLOYER ID: TS005
For the Last Six Fiscal 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
2018	\$ 590,922	\$ 590,922	\$ -	\$ 14,884,696	3.97%
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 June 30th of the year indicated.

*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.*

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 Six 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 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
2018	0.009047%	\$ 24,760	\$ 52,313	47.33%	91.14%
2017	0.009263%	37,930	49,975	75.90%	86.43%
2016	0.010962%	58,244	57,802	100.76%	81.61%
2015	0.011198%	35,724	58,682	60.88%	88.27%
2014	0.014247%	21,923	71,615	30.61%	94.10%
2013	0.010374%	31,979	57,711	55.41%	87.50%

* The amounts presented have a measurement date of June 30th of the year indicated.

*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.*

REGIONAL SCHOOL UNIT NO. 5
SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS
MAINEPERS PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN
EMPLOYER ID: P0325
For the Last Six 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
2018	\$ 5,022	\$ 5,022	\$ -	\$ 52,313	9.60%
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 June 30th of the year indicated.

*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.*

REGIONAL SCHOOL UNIT NO. 5
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 MAINEPERS GROUP LIFE INSURANCE OPEB PLAN
 EMPLOYER ID: TS005
 For the Last Two 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	Total	RSU #5's covered-employee payroll	RSU #5's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	2018	0.00%	\$ -	\$ 345,781	\$ 345,781	\$ 14,884,696	0.00%
2017	0.00%	-	314,667	314,667	14,161,782	0.00%	47.29%

* The amounts presented have a measurement date of June 30th of the year indicated.

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 75 implementation; the fiscal year ended June 30, 2018.

The schedule will be updated annually as new information becomes available.

REGIONAL SCHOOL UNIT NO. 5
SCHEDULE OF CHANGES IN THE THE DISTRICT'S TOTAL HEALTH PLAN
OPEB LIABILITY AND RELATED RATIOS
MAINE EDUCATION ASSOCIATION BENEFITS TRUST HEALTH INSURANCE OPEB PLAN
For the Last Year *

	2018
A Service cost	\$ 54,674
B Interest	174,430
C Benefit term changes	-
D Experience differences	-
E Assumption changes	(215,005)
F Benefit payments	(149,669)
G Net change	(135,570)
H Beginning liability	4,891,850
I Ending liability	\$ 4,756,280
J Covered payroll	\$ 13,298,122
K Payroll percentage	35.8%

- A** Service cost related to the District
- B** Interest, which includes interest on service cost
- C** Changes in the Plan's benefit terms
- D** Differences between expected and actual experience
- E** Changes of assumptions
- F** Benefit payments, including refunds of member contributions
- G** Net change in total OPEB liability (sum of A through F)
- H** Total OPEB liability at the beginning of the fiscal year.
- I** Total OPEB liability at the end of the fiscal year.
- J** Covered-employee payroll
- K** Total OPEB liability as a percentage of covered-employee payroll.

** The amounts presented have a measurement date of June 30th of the year indicated.*

*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 75 implementation; the fiscal year ended June 30, 2019.
The schedule will be updated annually as new information becomes available.*

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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 \$1,478,948 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.

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)	\$ 32,362,660
Differences-budget to GAAP	
Adult Education Enrichment Programs	(86,826)
On behalf payments for Maine State Retirement Contributions made by the State of Maine	1,478,948
Total Revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds (Statement 5)	\$ 33,754,782

Expenditures

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 32,431,575
Differences-budget to GAAP	
Adult Education Enrichment Programs	(50,623)
Capital lease purchases	120,265
On behalf payments for Maine State Retirement Contributions made by the State of Maine	1,478,948
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Statement 5)	\$ 33,980,165

REGIONAL SCHOOL UNIT NO. 5
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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)	\$ (629,630)
Differences-budget to GAAP	
Transfer from Adult Education Enrichment to the Adult Education Program	-
Capital Lease Proceeds	<u>120,265</u>
Total Other Financing Sources (Uses) as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Statement 5)	<u><u>\$ (509,365)</u></u>

NOTE 3: BUDGETED USE OF SURPLUS

For the year ended June 30, 2019, RSU #5 intended to budget a deficit of \$796,000 and planned to use the General Fund's fund balance to cover the deficit. However, the deficit became \$1,203,911 because of the over-assessment as discussed in Note 14 plus the change in the state subsidy. Actual revenues and expenditures, however, resulted in a deficit of \$698,545.

OTHER SUPPLEMENTARY INFORMATION

REGIONAL SCHOOL UNIT NO. 5
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	ASSETS				Total Assets
	Cash/ Investments	Due from Other Funds	Accounts Receivable	Inventories	
Special Revenue Funds					
Title 1A disadvantaged	\$ -	-	\$ 50,237	-	\$ 50,237
IDEA local entitlement grant	-	-	110,501	-	110,501
IDEA preschool grant	-	-	7,955	-	7,955
Getting to proficiency	-	11,337	-	-	11,337
Supporting Effective Instruction State Grants	-	-	41,141	-	41,141
Student aspirations	8,647	20,169	-	-	28,816
Donations	-	41,801	-	-	41,801
Erate	-	7,380	-	-	7,380
Track & Field Activity	-	-	-	-	-
Laptop protection	-	-	-	-	-
SAMSHA	-	101	-	-	101
Mentoring	-	10,497	-	-	10,497
Dollars for scholars	-	1,879	-	-	1,879
Performing arts center	-	34,904	-	-	34,904
Community Education	748,645	-	-	-	748,645
Adult Education Enrichment	-	55,403	-	-	55,403
Total Special Revenues	\$ 757,292	\$ 183,471	\$ 209,834	-	\$ 1,150,597

REGIONAL SCHOOL UNIT NO. 5
 COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

LIABILITIES AND FUND BALANCE

	Accounts Payable	Accrued Salaries	Due to Other Funds	Fund Balance (Deficit)	Total Liabilities and Fund Balance
Special Revenue Funds					
Title 1A disadvantaged	-	\$ -	\$ 50,237	-	\$ 50,237
IDEA local entitlement grant	8,496	-	102,005	-	110,501
IDEA preschool grant	-	-	7,955	-	7,955
Getting to proficiency	-	-	-	11,337	11,337
Supporting Effective Instruction State Grants	7,582	-	33,559	-	41,141
Student aspirations	-	-	-	28,816	28,816
Donations	-	-	-	41,801	41,801
Erate	-	-	-	7,380	7,380
Track & Field Activity	-	-	932	(932)	-
Laptop protection	2,581	-	4,490	(7,071)	-
SAMSHA	-	-	-	101	101
Mentoring	-	-	-	10,497	10,497
Dollars for scholars	-	-	-	1,879	1,879
Performing arts center	-	-	-	34,904	34,904
Community Education	281	8,282	407,901	332,181	748,645
Adult Education Enrichment	-	-	-	55,403	55,403
Total Special Revenues	<u>\$ 18,940</u>	<u>\$ 8,282</u>	<u>\$ 607,079</u>	<u>\$ 516,296</u>	<u>\$ 1,150,597</u>

REGIONAL SCHOOL UNIT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Fund Balances Beginning of Year	Program Revenues		Transfers In (Out)	Program Expenditures	Fund Balances End of Year (Deficit)
		Intergovern- mental	Other			
Special Revenue Funds						
Title 1A disadvantaged	\$ -	\$ 174,971	\$ -	\$ -	\$ 174,971	\$ -
IDEA local entitlement grant	-	496,872	-	-	496,872	-
IDEA preschool grant	-	7,955	-	-	7,955	-
Getting to proficiency	20,337	-	-	-	9,000	11,337
Supporting Effective Instruction State Grants	-	80,116	-	-	80,116	-
Student aspirations	28,812	-	4	-	-	28,816
Donations	42,194	-	-	-	393	41,801
Erate	7,380	-	-	-	-	7,380
Track and Field Activity	-	-	-	-	932	(932)
Laptop protection	34,797	-	26,015	-	67,883	(7,071)
SAMSHA	101	-	-	-	-	101
Mentoring	10,497	-	-	-	-	10,497
Dollars for scholars	1,879	-	-	-	-	1,879
Performing arts center	41,945	-	6,410	-	13,451	34,904
Community Education	319,441	-	639,842	-	627,102	332,181
Adult Ed Enrichment	19,201	-	86,826	-	50,624	55,403
Total Special Revenues	<u>\$ 526,584</u>	<u>\$ 759,914</u>	<u>\$ 759,097</u>	<u>\$ -</u>	<u>\$ 1,529,299</u>	<u>\$ 516,296</u>

The Accompanying Notes are an Integral Part of these Statements.

REGIONAL SCHOOL UNIT NO. 5
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 FIDUCIARY FUNDS
 JUNE 30, 2019

		<u>Agency Funds</u>						
		Student Activity Funds						
		Durham		Pownal		Mast Landing		
		Elementary	Elementary	School	School	School	School	Total
		(Schedule 12)	(Schedule 13)	(Schedule 14)	(Schedule 15)			
Community Education Football		Freeport High School (Schedule 11)	Freeport Middle School (Schedule 12)	Durham Elementary School (Schedule 13)	Pownal Elementary School (Schedule 14)	Mast Landing School (Schedule 15)		
	\$	164,095	47,881	49,425	7,075	7,184		
Cash/investment		-	-	-	-	-	\$	280,287
Due from other funds		164,095	47,881	49,425	7,075	7,184		4,893
TOTAL ASSETS		<u>164,095</u>	<u>47,881</u>	<u>49,425</u>	<u>7,075</u>	<u>7,184</u>		<u>285,180</u>
LIABILITIES:								
Due to other groups		<u>164,095</u>	<u>47,881</u>	<u>49,425</u>	<u>7,075</u>	<u>7,184</u>		<u>285,180</u>
TOTAL NET POSITION	\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>

The Accompanying Notes are an Integral Part of these Statements.

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, 2019

	<u>Balance 6/30/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 6/30/2019</u>
5210 Grant	\$ 161	28	189	\$ -
Amnest International	311	-	-	311
Art Club	1,768	2,530	2,649	1,649
Arthur Albert Smth Scholarship	910	18,400	18,150	1,160
Athletics	39,668	40,161	67,011	12,818
Band	2,280	300	1,050	1,530
Bradley Fellowship	2,677	750	2,450	977
Ceramics	346	-	254	92
Choices	(7)	153	83	63
Chorus	595	484	438	641
Chrome BookRepair	332	-	-	332
Class 2012	1,021	-	1,021	-
Class 2013	1,102	-	1,102	-
Class 2015	5,453	165	-	5,618
Class 2016	9,307	20	-	9,327
Class 2017	8,428	-	-	8,428
Class 2018	10,527	147	6,399	4,275
Class 2019	16,308	32,364	34,638	14,034
Class 2020	2,808	22,524	7,145	18,187
Class 2021	752	3,185	2,846	1,091
Class 2022	-	10,687	6,400	4,287
Clynk	-	4,199	3,127	1,072
Custodians	329	56	92	293
Drama Grant	-	1,125	1,125	-
Drama/Musical	10,330	9,663	13,899	6,094
Endeavor	-	122	-	122
Engineering Class	650	-	650	-
English	134	-	67	67
Environment Club(EARTH)	1,411	-	-	1,411
Fishing Club	2,109	-	17	2,092
Foreign Language	32	-	32	-
FPaD Education Foundation	4,782	3,440	4,178	4,044
Friends of FHS	440	-	-	440
Gay/Straight All	304	74	60	318
GEMS new	43	230	-	273
Homecoming	6,510	1,760	405	7,865
JMG	3,554	1,852	3,298	2,108
Latin Club	82	3,566	3,404	244
Library	927	40	824	143
Math Team	-	160	200	(40)
Math Department	244	-	-	244
Melmac Scholarship	3,000	2,000	2,000	3,000
Subtotal	<u>139,628</u>	<u>160,185</u>	<u>185,203</u>	<u>114,610</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, 2019

	<u>Balance 6/30/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 6/30/2019</u>
Model UN	\$ 1,700	\$ 6,063	\$ 5,286	\$ 2,477
National Honor Society	36	-	-	36
NYC Trip	683	-	-	683
One Act Plays	4,499	2,611	2,762	4,348
Outdoor Club	40	-	-	40
Photography	1,608	35	-	1,643
Principal's Contingency	8,576	7,014	7,992	7,598
PTSO	524	-	524	-
Quebec Trip	75	794	812	57
Recycling Service Project	490	-	490	-
Scholarships	21	7,173	6,100	1,094
Science	250	-	-	250
Science Olympiad	9	-	9	-
Social Studies	142	-	-	142
Staff Wellness Initiative	399	-	102	297
Stem Lab	372	1,941	779	1,534
Student Council	1,751	2,882	900	3,733
Student Needs Fund	256	14	-	270
Student Services	2,816	22,671	21,061	4,426
Summer School	12,721	750	-	13,471
Sunshine Fund	207	294	204	297
Thomas Boat Grant	31	-	31	-
Thomas Max Scholarship	(50)	1,550	1,500	-
Videography	86	-	-	86
Wellness	-	25	-	25
Yearbook	6,283	4,586	3,891	6,978
Sub-total	<u>43,525</u>	<u>58,403</u>	<u>52,443</u>	<u>49,485</u>
Grand Total	<u>\$ 183,153</u>	<u>\$ 218,588</u>	<u>\$ 237,646</u>	<u>\$ 164,095</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, 2019

	<u>Balance</u> <u>6/30/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>6/30/2019</u>
Athletics	\$ 538	\$ 288	\$ -	\$ 826
Band-Students	342	820	1,134	28
Bradley Grant	500	1,680	1,380	800
Class 2020	846	-	846	-
Class 2025	-	846	409	437
Class 2024	-	10,293	8,361	1,932
Class 2023	-	1,650	1,650	-
Coffee Fund	-	330	80	250
Drama	6,704	7,640	7,300	7,044
Fab Friday	1,951	12,497	12,795	1,653
Favreau-Technology	1,658	-	-	1,658
Field Hockey	166	7	124	49
Field Trip	-	1,000	-	1,000
FLS & Choices	129	91	-	220
Fpad	-	2,241	1,241	1,000
Gardening Club	235	-	-	235
General Fund	869	7,372	8,057	184
GT	913	-	-	913
Guidance	393	-	-	393
Interact Club	251	290	244	297
JMG	1,845	809	1,342	1,312
Kieve	-	13,470	13,020	450
Library	701	1,887	1,588	1,000
Lisa Roney	100	-	100	-
Magazine Drive	2,591	8,784	9,698	1,677
Math Prof Dev	2,496	-	-	2,496
Mrs. Pritchard's Class	51	-	51	-
Musical Performances	7,405	-	-	7,405
O'Brien-Science	1,050	-	-	1,050
OM-DI	2,194	-	-	2,194
Parent Team	5,263	-	5,343	(80)
Peer Helpers	118	-	118	-
Postage	872	814	803	883
Project Adventure	124	-	-	124
Puffin Fund	3,827	-	-	3,827
Robotics Grant	222	-	-	222
Scholarship Fund	1,596	717	1,994	319
Space Camp	5,930	29,457	31,633	3,754
Sports Boosters	4,576	124	4,700	-
Sunshine Fund	123	510	249	384
Touch Tank	11	-	11	-
Travel Club	1,546	30,838	30,852	1,532
Yearbook	343	811	741	413
	<u>\$ 58,479</u>	<u>\$ 135,266</u>	<u>\$ 145,864</u>	<u>\$ 47,881</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, 2019

	Balance 6/30/2018	Receipts	Disbursements	Balance 6/30/2019
Dance	\$ 1,038	\$ 1,297	\$ 1,329	\$ 1,006
Drama	3,726	852	898	3,680
Exxon Mobil	99	-	76	23
Field Work	1,695	451	451	1,695
Garden	81	-	-	81
Grade 8	904	3,334	3,704	534
JMG	1,349	831	1,032	1,148
Library	209	-	-	209
Math	120	-	-	120
Music	1,752	1,060	1,337	1,475
Outing Club	1,267	2,852	2,924	1,195
PTA Field Work support	368	195	195	368
Reimbursement	124	8,625	1,912	6,837
School Activity	415	2,947	2,962	400
Sports Gate	1,007	-	317	690
Student Council	1,072	285	515	842
Telecommunications 0	1,633	300	735	1,198
Trips	25,629	10,801	9,508	26,922
Yearbook	1,451	1,266	1,715	1,002
	<u>\$ 43,939</u>	<u>\$ 35,096</u>	<u>\$ 29,610</u>	<u>\$ 49,425</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, 2019

	Balance 6/30/2018	Receipts	Disbursements	Balance 6/30/2019
Assembly Fund	\$ 217	\$ -	\$ -	\$ 217
5th Grade Class	1,776	4,680	4,359	2,097
Class Of 2015	179	-	179	-
Eco Maine	88	-	75	13
Fpd Grant	650	-	-	650
Fun Account	-	482	232	250
Garden	39	-	-	39
General	2,742	7,380	7,628	2,494
Holiday	25	-	25	-
Library	459	1,399	1,685	173
Library Grant	1,386	-	1,386	-
Postage	6	63	69	-
Snacks	617	-	617	-
Summer Day Camp	369	-	369	-
Water/Soda Account	120	-	15	105
Wellness	920	-	645	275
Yearbook	530	280	281	529
Youth Soccer	299	228	294	233
	<u>\$ 10,422</u>	<u>\$ 14,512</u>	<u>\$ 17,859</u>	<u>\$ 7,075</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, 2019

	<u>Balance 6/30/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 6/30/2019</u>
Bradley Foundation	\$ 1,308	\$ 1,658	\$ 276	\$ 2,690
Drama	1,658	1,484	1,802	1,340
Eco Maine	277	850	804	323
Fpad Grant	448	-	-	448
Guidance	204	-	46	158
Library	1,150	1,689	1,505	1,334
Music/Art	191	1,229	1,155	265
Office	2,587	33,902	36,514	(25)
School Store	182	-	-	182
Wellness	-	685	216	469
	<u>\$ 8,005</u>	<u>\$ 41,497</u>	<u>\$ 42,318</u>	<u>\$ 7,184</u>