

REGIONAL SCHOOL UNIT #19
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JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Regional School Unit #19
P.O. Box 40
Newport, Maine 04953

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional School Unit #19 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Regional School Unit #19's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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, the business-type activities, each major fund, and the aggregate remaining fund information of Regional School Unit #19 as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on Schedule A-2 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 #19's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 3, 2014, on our consideration of Regional School Unit #19'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. The report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Regional School Unit #19's internal control over financial reporting and compliance.

January 3, 2014

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INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE - MAINE SCHOOL FINANCE ACT

Board of Trustees
Regional School Unit #19
P.O. Box 40
Newport, Maine 04953

We have audited the financial statements of Regional School Unit #19 for the year ended June 30, 2013, and have issued our report thereon dated January 3, 2014.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and with applicable federal and state laws relating to financial and compliance audits.

As part of our audit we reviewed Regional School Unit #19's compliance with Title 20-A MRSA §6051. We found no material exceptions in that; budgetary controls are in place, that the annual financial report submitted to the Department of Education presents fairly the information it contains, Regional School Unit #19 was in compliance with the provisions outlined in the essential programs and Services Fund Act, Regional School Unit #19 complied with the transfer limitation between budget cost centers, compliance with Section 15004 for compliance with the unexpended balances requirements, and the school administrative unit's compliance with budget content requirements.

Regional School Unit #19 has not exceeded its authority to expend funds, as provided by the budget summary article that was approved at the town meeting. Over expended budgetary accounts are listed in Note J of the financial statements.

In connection with our audit, we found no material exceptions in that budgetary controls are in place, that the annual financial report submitted to the Department of Education presents fairly the information it contains, and that Regional School Unit #19 has complied with the applicable provisions of the Maine School Finance Act of 1985 and 1995.

Schedule E-1 has been included in the financial statements as supplementary information to reconcile information Regional School Unit #19 has provided to the Department of Education and our audit report.

January 3, 2014

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Regional School Unit #19
P.O. Box 40
Newport, Maine 04953

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Regional School Unit #19 as of and for the year ended June 30, 2013, which collectively comprise Regional School Unit #19's basic financial statements and have issued our report thereon dated January 3, 2014. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Regional School Unit #19's internal control over financial reporting of the financial statements audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit #19's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit #19's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit #19's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 3, 2014

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Trustees
Regional School Unit #19
P.O. Box 40
Newport, Maine 04953

Compliance

We have audited Regional School Unit #19's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Regional School Unit #19's major federal programs for the year ended June 30, 2013. Regional School Unit #19's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. Our responsibility is to express an opinion on Regional School Unit #19's compliance based on our audit.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Regional School Unit #19's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit #19's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Regional School Unit #19's compliance.

Opinion on Each Major Federal Program

In our opinion, Regional School Unit #19 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Internal Control over Compliance

The management of Regional School Unit #19 is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements listed above. In planning and performing our audit of compliance, we considered Regional School Unit #19's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional School Unit #19's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

January 3, 2014

Management's Discussion and Analysis

Introduction It's difficult to imagine a more challenging fiscal year than that just concluded by RSU 19. Much time was spent discovering shortcomings in the revenue and expense budget already approved by voters and confirmed with both the Department of Education and participating municipalities. More time involved planning diminished spending so obligations could be paid and financial default avoided. The cooperation and understanding of many suppliers and contractors went a long way to stay clear of entanglements and pitfalls; the district enters 2014 in a more sound state.

A very early and very important financial transaction in July 2012 was taking an available \$1.5-million Revenue Anticipation Note to allow bills to be paid and payrolls to be issued. Cash flow projections for that fiscal year revealed a clear inability for the district to repay the amount without arranging long-term financing, a crucial step, to avoid certain contractual default and an uncertain future in the courts. Mercifully those consequences were avoided when voters from all eight towns approved sale of a \$2.8-million Ten Year Revenue Stabilization Note now in place with Skowhegan Savings Bank.

During the protracted series of meeting held throughout the district to explain the nature and scope of the financial problems, there were a number of assertions made by management about financial conditions and operations. Among the many points made, some should be restated if only because these have been confirmed by audit results.

Municipal Assessments Management discovered that revenue amounts in the adopted budget could not be realized due to the application of "credits" to towns from non-existent carry forward amounts. This would result in collections which would not support the level of spending approved. The audit revealed that actual collections from municipal allocations were \$661,802.64 less than budgeted (see *Schedule A-2, Revenues*).

Miscellaneous Revenue Management attempted to confirm sources and amounts listed in budget documents for this item and the examination revealed collections would be far less than budgeted. The audit revealed that actual collections in this revenue category were \$269,046.46 less than budgeted (see *Schedule A-2, Revenues*).

Expenditure Curtailment Realizing that there was only limited time to realize savings from a curtailment of spending; a hard budget freeze was put into place August 2012. Specific actions included looking for alternative methods of financing purchases, simply deferring much planned expenditure, and finding alternative funding sources for needed supplies and scheduled trips among a myriad of strategies. The audit revealed a decrease of total General Fund Expenditures of \$260,683.67. Higher expenditures in Elementary and Secondary Education were the result of paying fourteen months of teacher salaries, over \$1.2-million more; as the district began to apply modified accrual bookkeeping practices (see *Note P – Summer Salaries* for the dollar values and categories involved).

Management's Discussion and Analysis

The 2012 audit report contained a series of findings describing a lack of internal control in some areas, use of inappropriate procedures, and not being in compliance with state statute. Some of the findings were repeated from the prior fiscal year and suggested a pattern of consistent less than adequate accounting procedures and financial operations.

Audit Findings and Operational Improvements In this report covering fiscal year 2013, there are no audit findings and the auditor has provided an unqualified opinion. There are no questioned costs when reviewing major federal award programs. Readers should consult *Schedules B-4 and B-5* for a complete presentation dealing with *Schedule of Findings and Questioned Costs* and *Summary Schedule of Prior Year Audit Findings*. Operational improvements are directly the result of a series of planned reviews and resulting improvements in methods and processes implemented by management during the fiscal year. This effort is ongoing and district-wide in scope.

Financial Stability and Organizational Credibility Using a nautical metaphor and compared to a year earlier, the fiscal ship has been brought upright, bailed out and is ready to set sail. That comprehensive effort involved all the folks in schools and towns of the RSU. It's worth a moment to review where the district stands today, one year later.

A Current Ratio of >1 It's important to be able to pay bills in a timely fashion and have money to compensate employees on schedule. A measure of that is an organization's "current ratio." Last year, that value was a dismal 0.14 and a year later on June 30, 2013, it's over eight-fold greater at a more normal 1.17 (see *Exhibit E, Balance Sheet – Governmental Funds* and use the General Fund entries). Having sufficient near-term assets is essential to properly support operations.

Improving Operational Procedures RSU finances and operations have been reviewed continuously during the year by outside interests and by management. In response to prior year findings and internal reviews changes have been made to align processes with industry best practices and sound management concepts.

Correcting Prior Year Deficiencies Internal reviews of operations and the district's *Reorganization Plan* revealed actions that were inconsistent with the *Plan's* provisions. Steps have been taken to rectify those missteps and provide financial relief to parties receiving less than their full measure of satisfaction.

Transparency and Open Communications The Superintendent and Business Office have started to provide regular and standardized reporting to the Board and others in the community about the operational and financial conditions being encountered. This has created a broader and deeper exchange of ideas and allowed responses to questions from the public with interests in education, schools and the RSU.

Regional School Unit No. 19 is poised to move ahead in the coming years with having many of the financial and operational burdens addressed and solutions planned or in place, allowing more attention to be paid to answering the educational challenges of students and the community.

REGIONAL SCHOOL UNIT #19
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CURRENT ASSETS:			
Cash (Note B)	\$ 586,909.40	\$ 1,500.10	\$ 588,409.50
Accounts Receivable (Note K)	800,768.79	55,371.03	856,139.82
Due From Other Funds	72,256.13		72,256.13
Inventory (Note L)		19,186.13	19,186.13
Prepaid Expenses			
Total Current Assets	<u>\$ 1,459,934.32</u>	<u>\$ 76,057.26</u>	<u>\$ 1,535,991.58</u>
PROPERTY, PLANT, AND EQUIPMENT (NOTE C):			
Land	\$ 200,363.00	\$ -	\$ 200,363.00
Land Improvements	478,044.00		478,044.00
Buildings	25,857,710.00		25,857,710.00
Equipment	1,679,536.00		1,679,536.00
Vehicles	3,434,820.00		3,434,820.00
Total Property, Plant, and Equipment	<u>\$ 31,650,473.00</u>	<u>\$ -</u>	<u>\$ 31,650,473.00</u>
Less: Accumulated Depreciation	<u>(13,206,259.00)</u>		<u>(13,206,259.00)</u>
Net Property, Plant, and Equipment	<u>\$ 18,444,214.00</u>	<u>\$ -</u>	<u>\$ 18,444,214.00</u>
Total Assets	<u>\$ 19,904,148.32</u>	<u>\$ 76,057.26</u>	<u>\$ 19,980,205.58</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Notes Payable - Current Portion (Note D)	\$ 1,053,637.00	\$ -	\$ 1,053,637.00
Leases Payable - Current Portion (Note F)	85,688.66		85,688.66
Accounts Payable	105,751.01		105,751.01
Due To Other Funds		72,256.13	72,256.13
Accrued Payroll	1,203,991.10		1,203,991.10
Payroll Liabilities	11,840.35		11,840.35
Total Current Liabilities	<u>\$ 2,460,908.12</u>	<u>\$ 72,256.13</u>	<u>\$ 2,533,164.25</u>
LONG-TERM LIABILITIES:			
Notes Payable - Net of Current Portion (Note D)	\$ 7,975,775.18	\$ -	\$ 7,975,775.18
Leases Payable - Net of Current Portion (Note F)	236,662.68		236,662.68
Total Long-Term Liabilities	<u>\$ 8,212,437.86</u>	<u>\$ -</u>	<u>\$ 8,212,437.86</u>
NET POSITION:			
Net Invested in Capital Assets	\$ 9,092,450.48	\$ -	\$ 9,092,450.48
Restricted	(101,089.91)		(101,089.91)
Unassigned	239,441.77	3,801.13	243,242.90
Total Net Position	<u>\$ 9,230,802.34</u>	<u>\$ 3,801.13</u>	<u>\$ 9,234,603.47</u>
Total Liabilities and Net Position	<u>\$ 19,904,148.32</u>	<u>\$ 76,057.26</u>	<u>\$ 19,980,205.58</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government:						
Governmental Activities:						
Elementary Education	\$ 7,289,942.85	\$ 51,920.35	\$ 72,937.61	\$ (7,165,084.89)	\$ -	\$ (7,165,084.89)
Secondary Education	3,288,407.10			(3,288,407.10)		(3,288,407.10)
Special Education	2,950,551.64			(2,950,551.64)		(2,950,551.64)
MaineCare Seed	93,537.68			(93,537.68)		(93,537.68)
CTE Instruction	164,478.80			(164,478.80)		(164,478.80)
Alternative Education	125,052.47			(125,052.47)		(125,052.47)
Other Instruction	482,577.04			(482,577.04)		(482,577.04)
Student and Staff Support	1,407,635.82			(1,407,635.82)		(1,407,635.82)
System Administration	859,612.02			(859,612.02)		(859,612.02)
School Administration	1,276,348.71			(1,276,348.71)		(1,276,348.71)
Transportation	2,260,974.73			(2,260,974.73)		(2,260,974.73)
Facilities Maintenance	2,048,959.78			(2,048,959.78)		(2,048,959.78)
Debt Service	220,369.67			(220,369.67)		(220,369.67)
Program Expenditures	3,260,107.44	31,323.08	3,019,630.16	(209,154.20)		(209,154.20)
On Behalf Payments	1,597,570.48		1,597,570.48			
Total Governmental Activities	\$ 27,326,126.23	\$ 83,243.43	\$ 4,690,138.25	\$ (22,552,744.55)	\$ -	\$ (22,552,744.55)
Business-Type Activities:						
Food Services	1,133,259.59	225,814.66	827,300.52		(80,144.41)	(80,144.41)
Total Primary Government	\$ 28,459,385.82	\$ 309,058.09	\$ 5,517,438.77	\$ (22,552,744.55)	\$ (80,144.41)	\$ (22,632,888.96)
General Revenue:						
Local Assessments				\$ 8,076,394.12	\$ -	\$ 8,076,394.12
Local Assessments - Stabilization						
Loan Payment				191,230.00		191,230.00
Miscellaneous Income				50,453.54		50,453.54
Interest Income				273.99		273.99
State Subsidy				13,508,094.18		13,508,094.18
MaineCare Seed				93,537.68		93,537.68
Total General Revenue				\$ 21,919,983.51	\$ -	\$ 21,919,983.51
Change in Net Position				\$ (632,761.04)	\$ (80,144.41)	\$ (712,905.45)
Net Position, July 1				9,863,563.38	83,945.54	9,947,508.92
Net Position, June 30 (Exhibit A)				\$ 9,230,802.34	\$ 3,801.13	\$ 9,234,603.47

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

GOVERNMENTAL FUND BALANCES:

Fund Balance of Governmental Funds (Exhibit E)	\$ 138,351.86
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	18,444,214.00
Notes payable and leases payable are not due and payable in the current period and therefore are not reported in the funds	(9,351,763.52)
Net Position of Governmental Activities	<u>\$ 9,230,802.34</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGE IN NET POSITION OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013

CHANGE IN NET POSITION - TOTAL GOVERNMENTAL FUNDS (EXHIBIT F)	\$ 1,942,899.32
Amount reported for governmental activities in the Statements of	
Activities are different because:	
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 as depreciation expense. This is the amount	
by which depreciation exceeded capital outlay.	
	(475,777.00)
Debt proceeds provide current financial resources to governmental funds, but	
issuing debt increased long-term liabilities in the Statement of Net Position.	
Repayment of debt principal is an expenditure in the governmental funds, but	
the repayment reduces long-term liabilities in the Statement of Net Position.	
This is the amount by which principal repayment exceeded debt proceeds	
(proceeds exceeded principal repayment).	
	(2,099,883.36)
 Change in Net Position - Statement of Activities	 <u><u>\$ (632,761.04)</u></u>

REGIONAL SCHOOL UNIT #19
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>GOVERNMENTAL FUND TYPES</u>			<u>TOTAL</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CONSTRUCTION PROJECTS</u>	
ASSETS:				
Cash (Note B)	\$ 585,527.27	\$ 1,382.13	\$ -	\$ 586,909.40
Accounts Receivable (Note K)	468,097.16	332,671.63		800,768.79
Due From Other Funds	588,671.92	110,028.52		698,700.44
Total Assets	<u>\$1,642,296.35</u>	<u>\$ 444,082.28</u>	<u>\$ -</u>	<u>\$2,086,378.63</u>
LIABILITIES AND NET POSITION:				
Liabilities:				
Accounts Payable	\$ 76,494.61	\$ 29,256.40	\$ -	\$ 105,751.01
Due To Other Funds	110,528.52	515,074.68	841.11	626,444.31
Accrued Payroll	1,203,991.10			1,203,991.10
Payroll Liabilities	11,840.35			11,840.35
Total Liabilities	<u>\$1,402,854.58</u>	<u>\$ 544,331.08</u>	<u>\$ 841.11</u>	<u>\$1,948,026.77</u>
Net Position:				
Restricted	\$ -	\$ (100,248.80)	\$ (841.11)	\$ (101,089.91)
Unassigned	239,441.77			239,441.77
Total Net Position	<u>\$ 239,441.77</u>	<u>\$ (100,248.80)</u>	<u>\$ (841.11)</u>	<u>\$ 138,351.86</u>
Total Liabilities and Net Position	<u>\$1,642,296.35</u>	<u>\$ 444,082.28</u>	<u>\$ -</u>	<u>\$2,086,378.63</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE
IN NET POSITION - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2013

	GOVERNMENTAL FUND TYPES			CONSTRUCTION PROJECT	TOTAL
	GENERAL	SPECIAL REVENUE			
REVENUES:					
Municipal Allocations	\$ 7,996,394.12	\$ 80,000.00		\$ -	\$ 8,076,394.12
Municipal Allocations - Stabilization					
Loan Payments	191,230.00				191,230.00
State and Federal Grants		2,959,574.42			2,959,574.42
Tuition	4,076.82				4,076.82
Transportation	47,843.53				47,843.53
Miscellaneous Income	50,453.54				50,453.54
Interest Income	273.99				273.99
Registration Fees		31,323.08			31,323.08
State Subsidy	13,508,094.18				13,508,094.18
MaineCare		60,055.74			60,055.74
R.O.T.C.	72,937.61				72,937.61
MaineCare Seed	93,537.68				93,537.68
On Behalf Payments (Note H)	1,597,570.48				1,597,570.48
Total Revenues	\$ 23,562,411.95	\$ 3,130,953.24		\$ -	\$ 26,693,365.19
EXPENDITURES:					
Elementary Education	\$ 6,827,061.85	\$ -		\$ -	\$ 6,827,061.85
Secondary Education	3,155,798.10				3,155,798.10
Special Education	2,950,551.64				2,950,551.64
MaineCare Seed	93,537.68				93,537.68
CTE Instruction	164,478.80				164,478.80
Alternative Education	125,052.47				125,052.47
Other Instruction	482,577.04				482,577.04
Student and Staff Support	1,407,635.82				1,407,635.82
System Administration	844,922.02				844,922.02
School Administration	1,276,348.71				1,276,348.71
Transportation	2,395,377.73				2,395,377.73
Facilities Maintenance	2,048,959.78				2,048,959.78
Debt Service	1,291,308.37				1,291,308.37
Program Expenditures		3,259,266.33		841.11	3,260,107.44
On Behalf Payments	1,597,570.48				1,597,570.48
Total Expenditures	\$ 24,661,180.49	\$ 3,259,266.33		\$ 841.11	\$ 27,921,287.93
Excess of Expenditures Over Revenues	\$ (1,098,768.54)	\$ (128,313.09)		\$ (841.11)	\$ (1,227,922.74)
OTHER FINANCING SOURCES (USES):					
Debt Proceeds	\$ 2,800,000.00	\$ -		\$ -	\$ 2,800,000.00
Lease Proceeds	370,822.06				370,822.06
Transfers - In	6,173.00				6,173.00
Transfers - Out		(6,173.00)			(6,173.00)
Total Other Financing Sources (Uses)	\$ 3,176,995.06	\$ (6,173.00)		\$ -	\$ 3,170,822.06
Excess of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ 2,078,226.52	\$ (134,486.09)		\$ (841.11)	\$ 1,942,899.32
Net Position, July 1, 2012	(1,838,784.75)	34,237.29			(1,804,547.46)
Net Position, June 30, 2013	<u>\$ 239,441.77</u>	<u>\$ (100,248.80)</u>		<u>\$ (841.11)</u>	<u>\$ 138,351.86</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
STATEMENT OF CHANGE IN NET ASSETS - PROPRIETARY FUND
COOPERATIVE SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2013

REVENUES:	
Daily Sales	\$ 225,814.66
School Nutrition Subsidy	778,917.56
Donated Commodities (Note M)	48,382.96
Local Allocation	
 Total Revenues	 <u>\$ 1,053,115.18</u>
 EXPENDITURES	 1,133,259.59
 Net Loss	 <u>\$ (80,144.41)</u>
Retained Earnings, July 1, 2012	83,945.54
Retained Earnings, June 30, 2013	<u><u>\$ 3,801.13</u></u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUND - COOPERATIVE
SCHOOL NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Users	\$ 225,814.66
Receipts from the State	778,917.56
Payments to Employees	(562,557.45)
Payments to Vendors	(570,702.14)
Transfer in from General Fund	128,495.30
 Net Cash Used by Operating Activities	 <u>\$ (32.07)</u>
 Decrease in Cash	 <u>\$ (32.07)</u>
Cash Balance, July 1, 2012	1,532.17
Cash Balance, June 30, 2013	<u><u>\$ 1,500.10</u></u>
 Non-Cash Expenditures Received from Department of Agriculture	 \$ 48,382.96

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	PRIVATE PURPOSE TRUST FUND	STUDENT ACTIVITY
ASSETS:		
Cash and Cash Equivalents	\$ 196,915.74	\$ 175,778.08
Investments (Note N)	109,693.34	
Total Assets	<u>\$ 306,609.08</u>	<u>\$ 175,778.08</u>
LIABILITIES:		
Due to School Groups	\$ -	\$ 175,778.08
NET ASSETS:		
Held in Trust for Scholarships	306,609.08	
Total Liabilities and Net Assets	<u>\$ 306,609.08</u>	<u>\$ 175,778.08</u>

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	PRIVATE PURPOSE TRUST FUND
ADDITIONS:	
Interest	\$ 3,812.36
Contributions	21,449.44
Total Additions	<u>\$ 25,261.80</u>
DEDUCTIONS:	
Scholarships and Fees	27,705.30
Change in Net Assets	<u>\$ (2,443.50)</u>
Net Assets, July 1, 2012	309,052.58
Net Assets, June 30, 2013	<u>\$ 306,609.08</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Regional School Unit #19 conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

Regional School Unit #19 is a level of government as defined in Title 20-A, Section 103-A of Maine Revised Statutes Annotated. The School Unit is a regional school unit consisting of the inhabitants of and the territory within the Towns of Corinna, Dixmont, Etna, Hartland, Newport, Palmyra, Plymouth, and St. Albans.

MRSA Title 20-A, Section 15003 requires Regional School Unit #19 to report on a July 1 to June 30 fiscal year.

The School Unit's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP as used by the School Unit are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain significant changes in the Statement include the following:

Financial statements include:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the School Unit's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all the School Unit's activities.
- A change in the fund financial statements to focus on the major funds.

2. Basic Financial Statements - Government-Wide Statements

The School Unit's basic financial statements include both government-wide (reporting the School Unit as a whole) and fund financial statements (reporting the School Unit's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental.

The government-wide financial statements are reported on a full accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The School Unit's net position is reported in three parts - net invested in capital assets; restricted; and unassigned. The School Unit first utilizes restricted resources to finance qualifying activities.

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

2. Basic Financial Statements - Government-Wide Statements (Cont'd)

The government-wide Statements of Activities reports both the gross and net cost of each of the education programs. The functions are also supported by general government revenues (property, certain intergovernmental revenues, and interest income, etc.). The Statements of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the School Unit as an entity and the change in the School Unit's net assets resulting from the current year's activities.

3. Basic Financial Statements - Fund Financial Statements

The financial transactions of the School Unit are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classifications within the financial statements.

The following fund types are used by the School Unit:

a. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the School Unit:

1. General Fund:

General Fund is the general operating fund of the School Unit. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support School Unit programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds. The fiduciary fund accounts for the student activity fund for the School Unit.

3. Proprietary Fund:

The Proprietary Fund is the fund used to account for all financial resources relating to the School Lunch Program.

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basic Financial Statements - Fund Financial Statements (Cont'd)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category) for the determination of major funds.

The School Unit's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

4. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied:

a. Accrual:

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

b. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The School Unit has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer, as directed by the Board of Trustees, to invest all funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

b. Capital Assets:

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful lives of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	25-80 years
Machinery and Equipment	5-30 years
Improvements	10-40 years
Vehicles	5-12 years

c. Revenues:

Substantially, all governmental fund revenues are accrued. Local assessments are billed and collected within the same period in which they are assessed. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are recorded as advances by the provider and deferred revenue by the recipient.

d. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory is used, rather than in the period purchased.

e. Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

f. Fund Balance:

In accordance with GASB Statement No. 54, the school system uses new terminology and classifications for fund balance items.

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The fund balance of the Special Revenue Fund is classified as restricted.

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

f. Fund Balance (cont'd):

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. The fund balance in the designated reserve is in this category.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

NOTE B - CASH AND CASH EQUIVALENTS:

The School Unit's cash consists of deposits with financial institutions. Deposits are categorized as follows to give an indication of the level of risk assumed by the School Unit at year-end: category one (1) includes deposits covered by federal depository insurance or by collateral held by the School Unit or by the School Unit's agent in the School Unit's name; category two (2) includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the School Unit's name; category three (3) includes uninsured and uncollateralized deposits.

At June 30, 2013, cash and cash equivalents consisted of:

	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Interest Bearing Accounts	\$ 633,233.94	\$ 1,142,338.04	\$ 323,717.90	\$ 818,620.14	\$
Non-Interest Bearing Accounts	327,869.38	1,030,656.07	63,042.87	967,613.20	
Total	<u>\$ 961,103.32</u>	<u>\$ 2,172,994.11</u>	<u>\$ 386,760.77</u>	<u>\$ 1,786,233.34</u>	<u>\$</u>

NOTE C - PROPERTY, PLANT, AND EQUIPMENT:

The following is a summary of changes in the general fixed assets at June 30, 2013:

	BALANCE JULY 1, 2012	ADDITIONS	DISPOSALS	BALANCE JUNE 30, 2013
Land	\$ 200,363.00	\$	\$	\$ 200,363.00
Land Improvements	511,647.00		(33,603.00)	478,044.00
Buildings	25,857,710.00			25,857,710.00
Equipment	1,706,927.00	31,638.00	(59,029.00)	1,679,536.00
Vehicles	3,284,498.00	368,223.00	(217,901.00)	3,434,820.00
	<u>\$ 31,561,145.00</u>	<u>\$ 399,861.00</u>	<u>\$ (310,533.00)</u>	<u>\$ 31,650,473.00</u>
Less: Accumulated Depreciation	<u>(\$12,641,154.00)</u>	<u>(875,638.00)</u>	<u>310,533.00</u>	<u>(13,206,259.00)</u>
Net Property, Plant, and Equipment	<u>\$ 18,919,991.00</u>	<u>\$ (\$475,777.00)</u>	<u>\$</u>	<u>\$ 18,444,214.00</u>

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE D - NOTES/BONDS PAYABLE:

The following is a summary of debt transactions for the year ended June 30, 2013:

	BALANCE JULY 1, 2012	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2013
Maine Municipal Bond Bank - Etna and Dixmont Renovation	\$ 16,338.90	\$	\$ 16,338.90	\$
Maine Municipal Bond Bank - School Construction - Hartland	190,001.00		63,334.00	126,667.00
Maine Municipal Bond Bank - School Construction - Revolving Renovation Loan	286,778.18		38,553.00	248,225.18
Maine Municipal Bond Bank - School Construction - Penobscot and Somerset	6,717,500.00		671,750.00	6,045,750.00
Skowhegan Savings Bank - Stabilization Bond		2,800,000.00	191,230.00	2,608,770.00
	<u>\$ 7,210,618.08</u>	<u>\$ 2,800,000.00</u>	<u>\$ 981,205.90</u>	<u>\$ 9,029,412.18</u>

Total interest paid for the year ended June 30, 2013 was \$294,263.61.

Maine Municipal Bond Bank - Etna and Dixmont Renovation

The bond is for ten years with annual principal payments of \$16,338.90 due every July. This is an interest free bond. The final payment of the bond was paid in July 2012.

Maine Municipal Bond Bank - School Construction - Hartland

The bond is for fifteen years. Principal payments of \$63,333.00 are due each November with interest due each May and November. Interest is set at 4.039% for five years and then increases each year until November 2014 when it caps at 5.239%. Final payment is due November 2014.

Maine Municipal Bond Bank - Revolving Renovation Loan

The bond is for ten years with annual principal payments of \$38,553.00 due every July 25th. The bond is obtained through the School Revolving Renovation Fund Program, of which \$849,063.10 was forgiven. The funds were used for improvements to four schools within the School Unit. This is an interest free bond.

Maine Municipal Bond Bank - School Construction - Penobscot and Somerset

The bond is for twenty years with annual principal payments of \$671,750.00 due every November through 2021, with interest due each May and November. Interest is set at 3.25% for four years and then increases each year until November 2015 when it caps at 5.125%.

Skowhegan Savings Bank - Stabilization Bond

The bond is for ten years with annual principal payments of \$260,877.00 due every November with interest due each May and November. Interest is fixed at 4.00%. The Towns of Etna and Dixmont paid off their portion of this stabilization bond, \$89,700.00 and \$101,530.00, respectively, prior to July 1, 2013.

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE D - NOTES/BONDS PAYABLE (CONT'D):

The annual requirements to amortize notes and bonds payable as of June 30, 2013 are as follows:

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$ 1,034,514.00	\$ 353,718.10	\$ 1,388,232.10
2015	1,034,513.00	313,537.21	1,348,050.21
2016	971,180.00	298,755.83	1,269,935.83
2017	971,180.00	253,919.79	1,225,099.79
2018	971,180.00	209,134.95	1,180,314.95
2019-2023	4,046,845.18	393,401.99	4,440,247.17
Total	<u>\$ 9,029,412.18</u>	<u>\$ 1,822,467.87</u>	<u>\$ 10,851,880.05</u>

NOTE E - SHORT-TERM DEBT:

The following is a summary of short-term debt transactions for the year ended June 30, 2013:

	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 2013</u>
Androscoggin Bank	\$	\$ 1,500,000.00	\$ 1,500,000.00	

Total interest paid for the year ended June 30, 2013 was \$15,838.79.

NOTE F - CAPITAL LEASES:

The following is a summary of debt transactions for the year ended June 30, 2013:

	<u>BALANCE JULY 1, 2012</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 2013</u>
De Lage Landen Public School Finance LLC - Photocopiers	\$ 41,262.08	\$	\$ 15,308.92	\$ 25,953.16
Gorham Leasing Group - School Bus		83,985.00	17,693.90	66,291.10
Gorham Leasing Group - School Bus		83,985.00	17,693.90	66,291.10
Gorham Leasing Group - School Bus		83,985.00	17,693.90	66,291.10
Gorham Leasing Group - School Bus with Lift		86,609.00	18,246.99	68,362.01
U.S. Bank Equipment Finance - Photocopiers		32,258.06	3,095.19	29,162.87
	<u>\$ 41,262.08</u>	<u>\$ 370,822.06</u>	<u>\$ 89,732.80</u>	<u>\$ 322,351.34</u>

Total interest paid for the year ended June 30, 2013 was \$3,294.48.

REGIONAL SCHOOL UNIT #19
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE F - CAPITAL LEASES (CONT'D):

De Lage Landen Public School Finance LLC - Photocopiers

This lease is for four years. Payments of principal and interest are due monthly. The interest rate is fixed at 5.288%. The lease was used to finance the purchase of photocopiers for the School Unit.

Gorham Leasing Group - School Bus

This lease is for five years. Principal and interest payments of \$17,787.00 are due every October. The interest rate is fixed at 2.89%. This lease was used to finance the purchase of a school bus.

Gorham Leasing Group - School Bus

This lease is for five years. Principal and interest payments of \$17,787.00 are due every October. The interest rate is fixed at 2.89%. This lease was used to finance the purchase of a school bus.

Gorham Leasing Group - School Bus

This lease is for five years. Principal and interest payments of \$17,787.00 are due every October. The interest rate is fixed at 2.89%. This lease was used to finance the purchase of a school bus.

Gorham Leasing Group - School Bus with Lift

This lease is for five years. Principal and interest payments of \$18,343.00 are due every October. The interest rate is fixed at 2.89%. This lease was used to finance the purchase of a school bus with a lift.

U.S. Bank Equipment Finance - Photocopiers

This lease is for five years. Principal and interest payments of \$600.00 are due monthly. The interest rate is fixed at 6.121%. This lease was used to finance the purchase of photocopiers for the School Unit.

The annual requirements to amortize leases as of June 30, 2013 are as follows:

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2014	\$ 85,688.66	\$ 10,338.62	\$ 96,027.28
2015	81,564.82	7,327.76	88,892.58
2016	74,025.21	4,878.79	78,904.00
2017	76,380.99	2,523.01	78,904.00
2018	4,691.66	108.34	4,800.00
Total	<u>\$ 322,351.34</u>	<u>\$ 25,176.52</u>	<u>\$ 347,527.86</u>

NOTE G - GENERAL FUND BUDGET:

Regional School Unit #19 operates on a gross budget. All revenues are estimated. The unexpended balance is carried forward each year as required by MRSA Title 20-A, Section 15004.

At various public hearings, the townspeople have input on various articles in the budget. The budget is approved by referendum voting within the sending towns.

REGIONAL SCHOOL UNIT #19
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE H - PENSION PLAN - DEFINED BENEFIT:

Public school teachers contribute to the Maine Public Employees Retirement System (“System”), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees (except as members of the judiciary and legislature who are covered under the Judicial and Legislative Retirement Systems), and political subdivisions. All public school teachers participate in the Maine Public Employees Retirement System. The System also provides death, disability, and health insurance benefits. These benefit provisions and all other requirements are established by state statute.

Teachers are required to contribute 7.65% of their annual salary to the System. The State of Maine contributes the remaining amounts necessary to fund the System, using the actuarial basis specified by statute. The covered payroll for teachers for the year ended June 30, 2013 was approximately \$11,853,551.50. As required by Accounting Standards, the amounts paid on behalf of the School Unit by the State of Maine, estimated to be \$1,597,570.48 has been recorded as an intergovernmental revenue and an expenditure. Information concerning the pension benefit obligation for public teachers is available from the Maine Public Employees Retirement System.

Employees are eligible for normal retirement benefits upon attaining age sixty. Special retirement benefits may be granted after 20-25 years of creditable service. Regular retirement allowance payable for life will be calculated at a fraction of average final compensation multiplied by years of membership and credited service. Special retirement benefits allow for one-half compensation. The System also allows for early, disability, and occupational disability retirement benefits, as well as ordinary death and accidental death benefits and group insurance benefits. Employees, terminating prior to ten years of service, will be refunded in a lump sum all employee contributions plus interest.

NOTE I - RISK MANAGEMENT:

The School Unit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE J - EXPENDITURES IN EXCESS OF BUDGET:

FUNCTION	BUDGETED AMOUNT	EXPENDITURES	VARIANCE
Elementary Education	\$ 6,306,298.01	\$ 6,827,061.85	\$ (520,763.84)
Secondary Education	\$ 3,014,479.08	\$ 3,155,798.10	\$ (141,319.02)
MaineCare Seed	\$	\$ 93,537.68	\$ (93,537.68)
Alternative Education	\$ 96,246.67	\$ 125,052.47	\$ (28,805.80)
System Administration	\$ 701,045.03	\$ 844,922.02	\$ (143,876.99)
Transportation	\$ 2,264,799.88	\$ 2,395,377.73	\$ (130,577.85)
Debt Service	\$ 1,158,288.63	\$ 1,291,308.37	\$ (133,019.74)

Overdrafts were due to unanticipated payroll and unanticipated costs with the exception of MaineCare Seed and Debt Service which were offset by MaineCare Seed revenue and two towns prepaying on their portion of the stabilization loan. Total budgetary authority was under-expended by \$260,683.67.

REGIONAL SCHOOL UNIT #19
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE K - ACCOUNTS RECEIVABLE:

At June 30, 2013 accounts receivables for the School Unit were as follows:

	GENERAL FUND	BUSINESS- TYPE ACTIVITIES	TOTAL
State of Maine	\$ 704,030.27	\$ 39,617.76	\$ 743,648.03
Other Municipalities	82,960.94		82,960.94
Due from Others	13,777.58	7,634.85	21,412.43
Due from Students		8,118.42	8,118.42
	\$ 800,768.79	\$ 55,371.03	\$ 856,139.82

NOTE L - INVENTORY:

The School Unit values inventory on the first-in, first-out method. The value of inventory at June 30, 2013 was \$19,186.13.

NOTE M - DONATED COMMODITIES:

The School Lunch Fund received food with a value of \$48,382.96 from the U.S. Department of Agriculture during the year. These amounts are included in revenue and food expense on the financial statements. There were no donated commodities on hand at year-end.

NOTE N - INVESTMENTS:

Regional School Unit #19 considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Debt securities that mature within twelve months are classified as short-term investments.

Investments at June 30 are composed of the following:

	MARKET	LEVEL 1	LEVEL 2	LEVEL 3
Mutual Funds	\$ 1,070.77	\$ 1,070.77	\$	\$
Fixed Annuity Contract	108,622.57			108,622.57
	\$ 109,693.34	\$ 1,070.77		\$ 108,622.57

REGIONAL SCHOOL UNIT #19
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE N - INVESTMENTS (CONT'D):

The following table sets forth a summary of changes in the fair value of the Regional School Unit #19's Plan 3 assets for the year ended June 30, 2013:

	<u>BEGINNING BALANCE</u>	<u>TOTAL GAINS/ LOSSES</u>	<u>INTEREST EARNED</u>	<u>PURCHASES, ISSUANCES, SETTLEMENTS</u>	<u>ENDING BALANCE</u>	<u>UNREALIZED GAINS/ LOSSES</u>
Annuity						
Contract	\$ 107,625.94	\$	\$ 2,246.63	\$ 1,250.00	\$ 108,622.57	\$

Regional School Unit #19 is the beneficiary of an annuity contract purchased through Genworth Life Insurance Co. The annuity pays interest at a guaranteed rate of 2.70% through December 22, 2019. At such time, the principal and interest will be distributed to Regional School Unit #19.

Contract value represents principal and interest earned to date, which approximates fair market value. There has been no change to the valuation technique. Investments in corporate stock mutual funds and corporate bond mutual funds have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

NOTE O - SUBSEQUENT EVENTS:

On October 15, 2013 Regional School Unit #19 entered into a contract with Oak Point Associates to provide architect/engineering services to Regional School Unit #19. The project is to conduct an analysis for either renovations or new construction for the existing high school and middle school. The total cost of this project is \$87,500.00 with completion estimated by January 17, 2014.

With the passage of the State Budget (PL 2013, c.368), teacher employers will begin paying the employees normal cost portion of teacher retirement costs in July 2013. The total grant funded contribution is currently 16.15%. The teacher employer normal cost is 2.65% of compensation (earnable compensation) reported to MainePERS for each employee with the exception of employees who are retirees returned to work. There is no change to employee contributions.

NOTE P - SUMMER SALARIES:

At June 30, 2013 Regional School Unit #19 owed teachers for the remainder of their contracts that were effective September 1, 2012. The breakdown of the remainder of the teachers' contracts is broken down as follows:

Elementary Education	\$ 830,478.84
Secondary Education	367,726.36
Special Education	5,785.90
	<u>\$ 1,203,991.10</u>

REGIONAL SCHOOL UNIT #19
 COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
 JUNE 30, 2013

ASSETS

ASSETS:

Cash	\$ 1,382.13
Accounts Receivable	332,671.63
Due From Other Funds	<u>110,028.52</u>

Total Assets		<u>\$ 444,082.28</u>
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LIABILITIES AND NET POSITION

LIABILITIES:

Accounts Payable	\$ 29,256.40
Due To/From Other Funds	<u>515,074.68</u>

Total Liabilities		\$ 544,331.08
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NET POSITION:

UNDESIGNATED:

Adult Education	\$ (25,222.70)
Healthy Maine Partnership	(120.00)
Broadcasting	500.00
ME Community Grant	140.00
Perloff Foundation - Summer TE	1,000.00
Melmac Grant	4,997.00
Dental	1.92
After School	5,123.13
Depot	2,137.65
Black Tern	174.52
Medicaid Day Treatment	(21,446.55)
Federal Programs	<u>(67,533.77)</u>

Total Net Position		<u>(100,248.80)</u>
Total Liabilities and Net Position		<u>\$ 444,082.28</u>

REGIONAL SCHOOL UNIT #19
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL FUND		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Municipal Allocations	\$ 8,658,196.76	\$ 7,996,394.12	\$ (661,802.64)
Municipal Allocations - Stabilization			
Loan Payments		191,230.00	191,230.00
Tuition		4,076.82	4,076.82
Transportation		47,843.53	47,843.53
Miscellaneous	319,500.00	50,453.54	(269,046.46)
State Subsidy	13,530,794.27	13,508,094.18	(22,700.09)
MaineCare			
R.O.T.C.	72,000.00	72,937.61	937.61
Interest	2,000.00	273.99	(1,726.01)
MaineCare Seed		93,537.68	93,537.68
Total Revenues	\$ 22,582,491.03	\$ 21,964,841.47	\$ (617,649.56)
EXPENDITURES:			
Elementary Education	\$ 6,306,298.01	\$ 6,827,061.85	\$ (520,763.84)
Secondary Education	3,014,479.08	3,155,798.10	(141,319.02)
Special Education	3,336,342.38	2,950,551.64	385,790.74
MaineCare Seed		93,537.68	(93,537.68)
CTE Instruction	164,500.00	164,478.80	21.20
Alternative Education	96,246.67	125,052.47	(28,805.80)
Other Instruction	486,184.36	482,577.04	3,607.32
Student and Staff Support	1,600,068.62	1,407,635.82	192,432.80
System Administration	701,045.03	844,922.02	(143,876.99)
School Administration	1,372,048.85	1,276,348.71	95,700.14
Transportation	2,264,799.88	2,395,377.73	(130,577.85)
Facilities Maintenance	2,773,992.17	2,048,959.78	725,032.39
Debt Service	1,158,288.63	1,291,308.37	(133,019.74)
Contingency	50,000.00		50,000.00
Total Expenditures	\$ 23,324,293.68	\$ 23,063,610.01	\$ 260,683.67
Excess of Expenditures Over Revenues	\$ (741,802.65)	\$ (1,098,768.54)	\$ (356,965.89)
OTHER FINANCING SOURCES (USES):			
Transfer - In	\$ -	\$ 6,173.00	\$ 6,173.00
Debt Proceeds		2,800,000.00	2,800,000.00
Lease Proceeds		370,822.06	370,822.06
Total Other Financing Sources (Uses)	\$ -	\$ 3,176,995.06	\$ 3,176,995.06
Excess of Revenues and Other Sources Over (Under)			
Expenditures and Other Uses	\$ (741,802.65)	\$ 2,078,226.52	\$ 2,820,029.17
Fund Balance, July 1, 2012	661,802.65	(1,838,784.75)	2,500,587.40
Fund Balance, June 30, 2013	\$ (80,000.00)	\$ 239,441.77	\$ 319,441.77

REGIONAL SCHOOL UNIT #19
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	REVENUES				EXPENDITURES	EXCESS OF	FUND	TRANSFER	FUND
	STATE AND FEDERAL GRANTS	OTHER INCOME	REGISTRATION FEES	TOTAL	PROGRAM EXPENDITURES	REVENUES OVER (UNDER) EXPENDITURES	BALANCE JULY 1, 2012	TO/FROM GENERAL FUND	BALANCE JUNE 30, 2013
Adult Education	\$ 44,328.99	\$ 80,000.00	\$ 25,003.31	\$ 149,332.30	\$ 174,555.00	\$ (25,222.70)	\$ -	\$ -	\$ (25,222.70)
SHC Grant							55.00	(55.00)	
Healthy Maine Partnership					120.00	(120.00)			(120.00)
Broadcasting							500.00		500.00
ME Community Grant	6,850.00			6,850.00	6,710.00	140.00			140.00
CAL ME Grant							(1,775.00)	1,775.00	
Perloff Foundation - Summer TE	1,000.00			1,000.00		1,000.00			1,000.00
Excellence Award							456.00	(456.00)	
Lewis Brothers							3,000.00	(3,000.00)	
Obesity							571.00	(571.00)	
Homeless Grant							500.00	(500.00)	
Alternative Education							103.00	(103.00)	
Maine Math and Science							1,260.00	(1,260.00)	
Wal-Mart Grants							300.00	(300.00)	
School Nutrition - Corinna							1,000.00	(1,000.00)	
Melmac							4,997.00		4,997.00
Dental	2,800.00			2,800.00	2,798.08	1.92	619.00	(619.00)	1.92
After School			6,319.77	6,319.77	1,196.64	5,123.13			5,123.13
Depot	24,624.55			24,624.55	22,486.90	2,137.65			2,137.65
Black Tern					199.76	(199.76)	374.28		174.52
Medicaid Day Treatment		60,055.74		60,055.74	88,527.88	(28,472.14)	7,025.59		(21,446.55)
Federal Programs	2,879,970.88			2,879,970.88	2,962,672.07	(82,701.19)	15,251.42	(84.00)	(67,533.77)
Total	\$ 2,959,574.42	\$ 140,055.74	\$ 31,323.08	\$ 3,130,953.24	\$ 3,259,266.33	\$ (128,313.09)	\$ 34,237.29	\$ (6,173.00)	\$ (100,248.80)

REGIONAL SCHOOL UNIT #19
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
Fund Balance, July 1, 2012	\$ 661,802.65			\$ (1,832,611.75)
REVENUES:				
Municipal Allocations	\$ 8,658,196.76	\$ 7,996,394.12		
Municipal Allocations - Stabilization				
Loan Payments		191,230.00		
Tuition		4,076.82		
Transportation		47,843.53		
Miscellaneous	319,500.00	50,453.54		
State Subsidy	13,530,794.27	13,508,094.18		
R.O.T.C.	72,000.00	72,937.61		
Interest	2,000.00	273.99		
MaineCare Seed		93,537.68		
Total Revenues	<u>\$ 22,582,491.03</u>			<u>21,964,841.47</u>
Total Funds Available	<u>\$ 23,244,293.68</u>			<u>\$ 20,132,229.72</u>
EXPENDITURES:				
Elementary Instruction:				
Salaries	\$ 4,924,216.68		\$ 5,624,555.71	
Benefits	928,381.08		922,750.69	
Unused Sick Time			8,340.00	
Payroll Taxes	65,607.83		64,841.55	
Professional Development	36,067.56		44,119.00	
Unemployment Insurance	6,704.22		7,179.04	
Workers' Compensation	29,057.40		26,867.07	
Contracted Services - Substitutes	66,500.00		31,265.48	
Staff Travel	1,650.00		1,216.68	
Supplies	76,458.13		18,399.28	
Books and Periodicals	22,584.55			
Audio-Visual	1,303.07			
Repairs	4,475.00		75.00	
Equipment	21,411.91			
Dues and Fees	2,254.80		1,125.00	
Gifted and Talented	94,525.78		70,010.37	
LAU	25,100.00		6,316.98	
	<u>\$ 6,306,298.01</u>			<u>\$ 6,827,061.85</u>
Secondary Instruction:				
Salaries	\$ 2,194,684.75		\$ 2,516,306.93	
Benefits	420,873.05		381,181.45	
Unused Sick Time			2,265.00	
Payroll Taxes	33,945.11		37,103.39	
Professional Development	15,000.00		35,418.00	
Unemployment Insurance	2,900.86		3,146.68	
Workers' Compensation	12,948.64		12,064.74	
Contracted Professional Services	61,600.00		52,920.53	
Tuition	52,797.33		50,721.97	
Supplies	44,032.34		5,586.97	
Books and Periodicals	30,858.82		63.90	
Equipment	47,025.73		42.95	
Dues and Fees	19,240.00		3,161.46	
Repairs	19,118.00		2,015.97	
Gifted and Talented	59,454.45		53,798.16	
	<u>\$ 3,014,479.08</u>			<u>3,155,798.10</u>
Special Education:				
Salaries	\$ 2,262,735.76		\$ 2,232,138.07	
Benefits	440,568.83		369,562.09	
Unused Sick Time			3,038.67	
Payroll Taxes	37,864.79		32,054.70	
Professional Development	45,950.02		28,347.01	

REGIONAL SCHOOL UNIT #19
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
EXPENDITURES (CONT'D):				
Special Education (Cont'd):				
Unemployment Insurance	\$ 3,944.28		\$ 3,785.76	
Workers' Compensation	13,555.56		16,327.94	
Professional Services	184,600.00		51,600.85	
Contracted Services	2,500.00			
Travel	4,575.00		2,688.90	
Telephone	2,700.00		512.96	
Advertising	1,000.00		188.55	
Tuition	245,875.00		163,905.26	
Staff Travel	11,475.00		11,586.39	
Supplies	26,686.69		5,999.10	
Postage	2,050.00		2,946.36	
Books and Periodicals	12,631.21		497.05	
Audio/Visual	7,465.47		335.90	
Dues and Fees	16,440.00		22,930.97	
Transportation	800.00			
Equipment	10,924.77		2,105.11	
Repairs	2,000.00			
	<u>\$ 3,336,342.38</u>			<u>\$ 2,950,551.64</u>
MaineCare Seed Fund				93,537.68
CTE Instruction:				
Vocational Assessment	<u>\$ 164,500.00</u>			164,478.80
Alternative Education:				
Salaries	\$ 74,441.75		\$ 100,684.11	
Benefits	15,970.06		19,937.84	
Payroll Taxes	1,079.40		1,452.73	
Unemployment	120.00		157.98	
Workers' Compensation	439.21		543.74	
Travel	2,500.00		2,276.07	
Supplies	377.26			
Books and Periodicals	1,000.00			
Equipment	318.99			
	<u>\$ 96,246.67</u>			<u>125,052.47</u>
Other Instruction:				
Co-Curricular Salaries	\$ -		\$ 78,217.83	
Co-Curricular Benefits	3,735.04		2,613.56	
Co-Curricular Payroll Taxes			2,840.06	
Co-Curricular Unemployment			143.51	
Co-Curricular Workers' Compensation			1,066.40	
Co-Curricular Professional Services	1,000.00		6,560.40	
Co-Curricular Travel			198.88	
Co-Curricular Supplies	1,000.00			
Co-Curricular Books and Periodicals	2,200.00		207.68	
Co-Curricular Equipment	2,350.00		1,752.74	
Co-Curricular Repairs	4,550.00		3,138.49	
Co-Curricular Dues and Fees	4,200.00		1,715.00	
Co-Curricular Transportation Wages	21,989.12		21,383.72	
Co-Curricular Transportation Benefits			3,240.65	
Co-Curricular Transportation Payroll Taxes	945.00		882.08	
Co-Curricular Transportation Unemployment			28.92	
Co-Curricular Transportation Workers' Compensation	1,102.56		771.04	

REGIONAL SCHOOL UNIT #19
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
EXPENDITURES (CONT'D):			
Other Instruction (Cont'd):			
Athletics Stipends and Salaries	\$ 204,111.64		\$ 195,266.53
Athletics Benefits			5,597.05
Athletics Payroll Taxes	11,544.58		7,548.57
Athletics Unemployment	612.78		574.82
Athletics Workers' Compensation	1,578.87		1,488.29
Athletics Professional Services	1,000.00		33,816.49
Athletics - Officials	49,620.00		25,499.99
Athletics - Official's Travel	2,200.00		1,597.16
Athletics - Supplies	26,750.00		8,048.34
Athletics Equipment	27,397.00		3,225.85
Athletics Repairs	4,000.00		500.00
Athletics Dues and Fees	6,680.00		626.00
Athletics Transportation Wages	17,982.21		21,093.03
Athletics Transportation Benefits			3,958.39
Athletics Transportation Payroll Taxes	1,065.76		1,108.84
Athletics Transportation Unemployment	52.52		40.90
Athletics Transportation Workers' Compensation	1,154.96		971.75
Summer School Salaries	44,829.79		33,247.50
Summer School Payroll Taxes	1,486.05		858.32
Summer School Unemployment	52.52		47.11
Summer School Workers' Compensation	83.96		179.53
Summer School Travel	500.00		935.38
Summer School Supplies	1,500.00		164.74
Summer School Professional Services	38,410.00		11,021.50
Summer School Dues and Fees	500.00		400.00
	<u>\$ 486,184.36</u>		<u>\$ 482,577.04</u>
Student and Staff Support:			
Salaries	\$ 897,978.66		\$ 889,027.14
Benefits	142,559.40		144,223.64
Unused Sick Time			375.00
Payroll Taxes	16,907.79		14,964.79
Professional Development	20,050.00		5,746.78
Unemployment	1,613.44		1,438.44
Workers' Compensation	5,273.92		7,712.26
Contracted Services			325.00
Repairs and Maintenance	1,250.00		573.65
Telephone	700.00		572.01
Staff Travel	8,350.00		6,649.74
Supplies	22,212.26		5,931.64
Books and Periodicals	79,203.00		15,033.39
Audio/Visual	1,015.67		
Equipment	23,567.00		
Dues and Fees	11,055.00		1,886.83
Technology Salaries	192,165.00		192,843.76
Technology Benefits	17,538.90		23,232.89
Technology Support and Repairs	83,125.04		32,552.45
Technology Supplies	65,735.00		54,910.11
Technology Payroll Taxes	9,768.54		9,636.30
	<u>\$ 1,600,068.62</u>		<u>1,407,635.82</u>

REGIONAL SCHOOL UNIT #19
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>
EXPENDITURES (CONT'D):			
System Administration:			
Salaries	\$ 444,647.32		\$ 421,629.03
Benefits	24,269.86		54,734.39
Payroll Taxes	21,818.40		20,871.09
Professional Development	1,000.00		6,078.35
Unemployment	552.08		593.84
Workers' Compensation	2,693.36		2,510.66
Professional Services	56,350.00		138,603.90
Election Services	1,000.00		264.39
Technology M & O	76,714.01		87,392.81
Building M & O			196.00
Repairs and Maintenance	5,000.00		
Insurance			6,629.60
Postage	5,600.00		5,126.82
Telephone	7,500.00		5,791.57
Advertising	5,000.00		4,641.61
Printing	27,100.00		9,696.75
Staff Travel	12,300.00		10,991.29
Supplies	8,000.00		11,010.41
Books and Periodicals			324.68
Equipment			712.15
Dues and Fees			22,329.58
Miscellaneous	1,500.00		2,535.04
	<u>\$ 701,045.03</u>		<u>\$ 812,663.96</u>
School Administration:			
Salaries	\$ 1,009,930.96		\$ 1,014,179.60
Benefits	168,870.85		158,453.37
Payroll Taxes	30,279.96		28,832.68
Professional Development	7,444.00		4,043.21
Unemployment	1,230.00		1,236.07
Workers' Compensation	5,958.58		5,630.20
Professional Services	10,000.00		11,637.78
Technology Supplies/Audio Visual	2,500.00		
Postage and Printing	17,860.00		14,590.66
Communications	57,475.00		19,663.49
Staff Travel	3,800.00		4,228.00
Supplies	9,886.05		6,097.46
Books and Periodicals	2,357.78		
Repairs and Maintenance	16,300.00		14.69
Equipment	18,345.67		303.41
Telephone	4,725.00		3,612.92
Dues and Fees	5,085.00		3,825.17
	<u>\$ 1,372,048.85</u>		<u>1,276,348.71</u>
Contingency			
	\$ 50,000.00		
Total Expenditures	<u>\$ 23,324,293.68</u>		<u>\$ 22,692,787.95</u>
Excess of Expenditures Over Revenues	\$ (80,000.00)		\$ (2,560,558.23)
Debt Proceeds			2,800,000.00
Fund Balance, June 30, 2013	<u>\$ (80,000.00)</u>		<u>\$ 239,441.77</u>

REGIONAL SCHOOL UNIT #19
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	NET POSITION JULY 1, 2012	REVENUES	EXPENDITURES	NET POSITION JUNE 30, 2013
U.S. DEPARTMENT OF AGRICULTURE:						
Passed Through State Department of Education:						
Donated Commodities	10.550	N/A	\$ -	\$ 48,382.96	\$ 48,382.96	\$ -
National School Lunch	10.555	013.05A.3022.05		546,662.73	546,662.73	
School Breakfast Program	10.553	013.05A.3014.05		154,743.87	154,743.87	
Summer Food Service Program for Children	10.559	013.05A.3016.05		29,254.99	29,254.99	
Fresh Fruit and Vegetables	10.582	013.05A.3028.05		77,510.96	77,510.96	
Subtotal			<u>\$ -</u>	<u>\$ 856,555.51</u>	<u>\$ 856,555.51</u>	<u>\$ -</u>
U.S. DEPARTMENT OF EDUCATION:						
Passed Through State Department of Education:						
NCLB Title IA (Former Chapter 1)	84.010	013.05A.3056.13	\$ 15,167.76	\$ 900,881.83	\$ 1,043,721.97	\$ (127,672.38)
NCLB Title IIA - Teacher Quality	84.367	013.05A.3042.11		203,169.35	140,925.84	62,243.51
IDEA Part B - Local Entitlement	84.027	013.05A.3046.12		617,620.21	583,017.37	34,602.84
IDEA Special Education - Preschool	84.173	013.05A.6241.23		8,878.00	8,878.00	
Rural Education Achievement Program, Title VI, Part B	84.358	013.05A.3005.03	83.66	46,423.00	47,761.00	(1,254.34)
Education Jobs Bill	84.410	013.05A.3099.01		18,986.05	18,985.98	0.07
CIPS	84.010	013.05A.6052.21		8,693.61	4,262.09	4,431.52
Teacher Incentive Fund	84.237	013.05A.4503.77		55,797.20	48,359.94	7,437.26
Twenty-First Century Community Learning Centers	84.287	013.05A.3054.67		162,966.12	210,288.37	(47,322.25)
Subtotal			<u>\$ 15,251.42</u>	<u>\$ 2,023,415.37</u>	<u>\$ 2,106,200.56</u>	<u>\$ (67,533.77)</u>
Total			<u>\$ 15,251.42</u>	<u>\$ 2,879,970.88</u>	<u>\$ 2,962,756.07</u>	<u>\$ (67,533.77)</u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Regional School Unit #19's Schedule of Expenditures of Federal Awards conforms to generally accepted accounting principles as applicable to governmental units. The modified accrual basis of accounting is followed. This method of accounting is defined as the basis of accounting under which expenditures are recorded as incurred, and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

NOTE 2 - DONATED COMMODITIES:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities consumed.

REGIONAL SCHOOL UNIT #19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

- 1) The Auditor's Report expresses an unqualified opinion on the financial statements of Regional School Unit #19.
- 2) No reportable conditions relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- 3) No instances of non-compliance material to the financial statements of Regional School Unit #19 were disclosed during the audit.
- 4) No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
- 5) The Auditor's Report on Compliance for the Major Federal Award Programs for Regional School Unit #19 expressed an unqualified opinion.
- 6) The audit disclosed no audit findings relative to the major federal award programs for Regional School Unit #19.
- 7) The programs tested as major programs are:
 - U.S. Department of Agriculture - National School Lunch Program CFDA #10.555
 - U.S. Department of Education - NCLB Title IA CFDA #84.010
 - U.S. Department of Education - IDEA Part B - Local Entitlement CFDA #84.027
- 8) The threshold for distinguishing Types A and B programs was \$300,000.00.
- 9) Regional School Unit #19 was determined not to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

REGIONAL SCHOOL UNIT #19
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

FINANCIAL STATEMENT FINDINGS

Condition 2012-1 - Proper Calculation of Assessment to Member Towns

Regional School Unit #19 had not properly billed the member towns for the amount of the full budget referendum in the amount of \$830,000.00, including not billing for the local debt service costs. Material computation errors were made in the carryover amounts of \$590,000.00 used to offset appropriations.

Status

Management has set policies and procedures in place to review the assessments to the towns for accuracy before billing the individual Towns.

Condition 2012-2 - Internal Control over Financial Reporting and Year End Financial Statement Preparation

The year end financial statements that management prepared and presented to us to audit contained a number of errors, inconsistencies, and omissions.

Status

Management has reviewed financial statements prior to their completion.

Condition 2012-3 - Compliance with Maine Statute Title 20-A Section 15690

According to Title 20-A Section 15690, the Regional School Unit may not expend more than the voted on and authorized amount established at budget referendum.

Status

Management acknowledged the prior years of overspending and in the current fiscal year received proceeds from a bond to fully fund the prior year shortfalls and summer salaries. Management presents budget information to the finance committee and regularly monitors budgetary performance. In the current year the budgetary authority was under spent by \$260,683.67.

Condition 2012-4 - Internal Control over Financial Reporting

Management does not control the preparation of accurate federal grant reporting, including the schedule of expenditure of federal awards or monitor compliance with program requirements.

Status

Management has initiated timely tracking and reporting of grant expenditures in order to request reimbursement of incurred costs. The Regional School Unit is compliant with grant reporting requirements and plans to strengthen coordination of grant preparation, application, and reporting.

REGIONAL SCHOOL UNIT #19
 SCHEDULE OF THE NUMBER AND PERCENTAGE OF MEALS SERVED BY
 CATEGORY - COOPERATIVE SCHOOL NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>NUMBER</u>	<u>%</u>
BREAKFAST:		
Children:		
Full Price	19,101	18.67
Reduced Price	11,608	11.35
Free	71,132	69.51
Total Children	<u>101,841</u>	<u>99.53</u>
 Adults	 486	 0.47
Total Meals Served	<u><u>102,327</u></u>	<u><u>100.00</u></u>
 LUNCH:		
Children:		
Full Price	66,434	28.09
Reduced Price	24,594	10.40
Free	138,245	58.43
Total Children	<u>229,273</u>	<u>96.92</u>
 Adults	 7,296	 3.08
Total Meals Served	<u><u>236,569</u></u>	<u><u>100.00</u></u>

REGIONAL SCHOOL UNIT #19
 COMBINING SCHEDULE OF OPERATIONS
 STUDENT ACTIVITY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

SCHOOL	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
Corinna Elementary School	\$ 7,636.98	\$ 17,883.66	\$ 15,439.84	\$ 10,080.80
Etna-Dixmont School	17,477.50	36,330.92	29,289.29	24,519.13
Hartland Consolidated School	14,128.45	18,373.34	18,529.33	13,972.46
Newport Elementary School	7,439.51	15,634.52	9,821.59	13,252.44
Nokomis Regional High School	106,494.86	128,498.83	153,728.02	81,265.67
Sebasticook Valley Middle School	14,432.72	37,577.23	35,926.72	16,083.23
Somerset Valley Middle School	12,580.46	23,356.83	21,848.11	14,089.18
St. Albans Consolidated School	4,444.93	3,655.14	5,584.90	2,515.17
Total	<u>\$ 184,635.41</u>	<u>\$ 281,310.47</u>	<u>\$ 290,167.80</u>	<u>\$ 175,778.08</u>

REGIONAL SCHOOL UNIT #19
SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
CORINNA ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
Discretionary Fund P-K-4	\$ 1,219.80	\$ 7,687.70	\$ 6,617.96	\$ 2,289.54
General Elementary	4,593.65	5,996.69	5,729.11	4,861.23
Library Elementary	1,937.08	1,765.20	2,487.58	1,214.70
Postage	(113.55)	479.07	250.19	115.33
Staff Charity Account		355.00	355.00	
21st Century		1,600.00		1,600.00
Total	<u>\$ 7,636.98</u>	<u>\$ 17,883.66</u>	<u>\$ 15,439.84</u>	<u>\$ 10,080.80</u>

SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
ETNA-DIXMONT SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
General Fund	\$ 2,215.06	\$ 4,943.95	\$ 3,995.03	\$ 3,163.98
Juice	2,488.47	1,200.22	1,080.53	2,608.16
Library	3,596.85	5,663.86	6,639.21	2,621.50
Music	66.35	133.76	100.00	100.11
Scholarship	1,285.71	969.89	800.00	1,455.60
Grade 8		224.50	100.00	124.50
Sports	363.35	314.00	386.37	290.98
Field Trips	421.58	10,012.67	7,693.12	2,741.13
Yearbook	1,407.10	851.00	1,063.84	1,194.26
Toothacker	2,722.62	522.00	533.99	2,710.63
EDS School	2,910.41	11,495.07	6,897.20	7,508.28
Total	<u>\$ 17,477.50</u>	<u>\$ 36,330.92</u>	<u>\$ 29,289.29</u>	<u>\$ 24,519.13</u>

REGIONAL SCHOOL UNIT #19
SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
HARTLAND CONSOLIDATED SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
21st Century Programs	\$ -	\$ 1,600.00	\$ -	\$ 1,600.00
Admin	1,504.22			1,504.22
After School Fitness Program	3,224.90	959.42	1,314.01	2,870.31
Central Office Reimbursable	(1,073.55)	678.77	689.72	(1,084.50)
General Purpose	1,481.84	4,612.88	4,910.77	1,183.95
Library	306.96	241.37	180.68	367.65
P.T.F.	8,254.05	6,733.04	7,287.36	7,699.73
Renovations	509.75		662.68	(152.93)
Student Account	(79.72)	3,547.86	3,484.11	(15.97)
Total	<u>\$ 14,128.45</u>	<u>\$ 18,373.34</u>	<u>\$ 18,529.33</u>	<u>\$ 13,972.46</u>

SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
NEWPORT ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
21st Cent.	\$ -	\$ 2,014.00	\$ 535.47	\$ 1,478.53
Coop Games	30.58			30.58
Dress Down	1,448.79	584.00	1,000.00	1,032.79
Friends	863.00			863.00
General	168.31	8.34	21.97	154.68
Grants	665.22			665.22
Health	1,805.25		30.00	1,775.25
Kitchen	6.74			6.74
Library	2,536.76	3,913.67	2,864.51	3,585.92
Postage	(609.60)	2,115.63	766.16	739.87
Recycling	53.82	458.66		512.48
School Proj.	230.62	4,688.69	4,314.92	604.39
Sunshine	240.02	412.00	208.92	443.10
PBIS		839.53	79.64	759.89
Fund Raising		600.00		600.00
Total	<u>\$ 7,439.51</u>	<u>\$ 15,634.52</u>	<u>\$ 9,821.59</u>	<u>\$ 13,252.44</u>

REGIONAL SCHOOL UNIT #19
 SCHEDULE OF OPERATIONS
 STUDENT ACTIVITY FUNDS
 NOKOMIS HIGH SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
2008	\$ 3,194.31	\$ -	\$ -	\$ 3,194.31
2009	1,325.78		1,325.78	
2010	4,485.41			4,485.41
2011	3,342.55		3,342.55	
2012	2,981.59		296.34	2,685.25
2013	10,830.90	5,012.95	11,682.16	4,161.69
2014	1,110.90	5,986.40	3,263.25	3,834.05
2015	265.10	1,645.68	661.29	1,249.49
2016		1,604.00	816.00	788.00
Alternative Ed	314.20	730.00	662.35	381.85
Art	528.86	150.00	417.58	261.28
Athletics	7,029.65	27,458.34	35,688.01	(1,200.02)
Automotive	732.29		25.61	706.68
Book Fair	5.00			5.00
Broadcasting	5,907.99	2,300.00	2,705.85	5,502.14
CD Account	1,039.54		859.12	180.42
Color Guard	2,324.19	2,000.00	3,240.50	1,083.69
Drama	2,181.11	3,474.35	1,220.58	4,434.88
FBLA		1,505.00	1,505.00	
Fundraising - Faculty	2.21	7,298.35	7,300.56	
Foodservice	1,533.72	300.00	441.07	1,392.65
Football	2,901.85		2,901.85	
Garden Club	240.32	115.92	120.00	236.24
General	1,468.68	6,101.14	5,824.19	1,745.63
Grants - Whitten	1,083.80	2,996.50	3,797.29	283.01
Graphics	19,330.92	6,334.26	6,009.13	19,656.05
GSA	56.42			56.42
Guitar Club	100.00		79.99	20.01
History	103.10		102.28	0.82
Honors 9 Class	11.02	686.47	686.47	11.02
Horticulture	4,749.34	22.50	504.76	4,267.08
JMG	278.90	18.60		297.50
JROTC	7,513.17	13,254.85	13,050.56	7,717.46
Key Club	101.09	417.00	437.71	80.38
Latin Club	702.00	2,864.78	3,335.08	231.70
Library	4,417.74	265.14	1,888.97	2,793.91
Literacy		2,057.55		2,057.55
Martial Arts	64.00			64.00
Math Team	157.47	140.00	200.10	97.37
NHS	1,215.15	2,111.80	2,157.27	1,169.68
Office Misc.	2,206.07	10,661.36	10,354.42	2,513.01
PEER Mediation	294.03			294.03
Princ. - Academic	7,687.93	337.40	5,632.04	2,393.29

REGIONAL SCHOOL UNIT #19
 SCHEDULE OF OPERATIONS
 STUDENT ACTIVITY FUNDS
 NOKOMIS HIGH SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
Project Adventure	298.62	65.31	363.93	
Project Graduation	5,541.83	8,233.78	5,026.27	8,749.34
Ray Dionne	260.00			260.00
Recycling Club	102.07			102.07
Renaissance	307.01			307.01
Resource Officer	300.00			300.00
SAT Team	919.46			919.46
School Paper	19.00			19.00
Science	432.03	200.00	299.09	332.94
Spanish Club	518.17			518.17
Student Senate	2,198.54	1,931.00	1,886.15	2,243.39
Sunshine Club		120.00		120.00
Surplus Equip.	205.50	400.00	539.07	66.43
Table Gaming	53.40			53.40
Tech - Computer	203.44	134.45	118.25	219.64
VIP	57.53	76.30	61.50	72.33
Warrior	79.25			79.25
Yearbook	(8,819.29)	9,487.65	12,898.05	(12,229.69)
Total	<u>\$ 106,494.86</u>	<u>\$ 128,498.83</u>	<u>\$ 153,728.02</u>	<u>\$ 81,265.67</u>

REGIONAL SCHOOL UNIT #19
 SCHEDULE OF OPERATIONS
 STUDENT ACTIVITY FUNDS
 SEBASTICOOK VALLEY MIDDLE SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
General	\$ (267.99)	\$ 1,376.11	\$ 1,082.05	\$ 26.07
Postage	(1,059.55)	1,778.55	1,308.85	(589.85)
Officials	(2,213.81)	5,252.17	3,052.74	(14.38)
Technology Club	28.53			28.53
P.T.F.	1,210.66	9,104.15	7,301.90	3,012.91
Student Council	7,369.55	438.50	2,770.48	5,037.57
Grade 5		842.91	418.82	424.09
Grade 6	515.73	1,823.01	1,591.43	747.31
Grade 7	139.01	1,391.50	742.84	787.67
Grade 8	590.23	5,713.29	5,844.55	458.97
Last Years Grade 8	7.64		7.64	
Coca-Cola	400.24	2,263.48	2,772.26	(108.54)
Library	1,259.12	60.00	406.95	912.17
Fynyl Vinyl	38.39	879.15	879.10	38.44
Civil Rights Team	350.67			350.67
Hat Money	374.88			374.88
Athletics	1,560.65	1,317.17	1,804.17	1,073.65
Character Ed Grant	50.00			50.00
Yearbook	(44.75)	20.00		(24.75)
Show Chorus	1,438.46	3,218.02	1,547.04	3,109.44
School Community	142.63	21.00		163.63
Healthy Community	2,161.27		1,944.75	216.52
Book Fair	381.16	2,078.22	2,451.15	8.23
Total	<u>\$ 14,432.72</u>	<u>\$ 37,577.23</u>	<u>\$ 35,926.72</u>	<u>\$ 16,083.23</u>

REGIONAL SCHOOL UNIT #19
SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
SOMERSET MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
Boston	\$ 4,639.02	\$ 4,269.15	\$ 3,612.66	\$ 5,295.51
Library	1,886.67	2,968.01	3,449.63	1,405.05
Officials		290.00	460.00	(170.00)
Postage	19.53	681.10	757.27	(56.64)
Student Council	1,173.76	2,392.85	2,367.01	1,199.60
Student Fund	941.77	10,104.90	8,276.42	2,770.25
Sports		200.00	165.28	34.72
Yearbook	916.87	1,092.06	1,025.91	983.02
PBIS		333.76	169.66	164.10
Anthony Tucker Scholarship	184.00			184.00
6th Grade Fund	157.83	25.00		182.83
Health Fund Account	1,911.01	1,000.00	1,564.27	1,346.74
YAP	750.00			750.00
Total	<u>\$ 12,580.46</u>	<u>\$ 23,356.83</u>	<u>\$ 21,848.11</u>	<u>\$ 14,089.18</u>

Schedule D-9

SCHEDULE OF OPERATIONS
STUDENT ACTIVITY FUNDS
ST. ALBANS CONSOLIDATED SCHOOL
FOR THE YEAR ENDED JUNE 30, 2013

	BALANCE 7/1/12	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE 6/30/13
General Account	\$ 2,856.92	\$ 1,526.32	\$ 3,643.22	\$ 740.02
Bigelow Account	437.36			437.36
Monthly Income	62.98	1.85		64.83
Library Account	52.21			52.21
Postage	(73.37)	312.65	211.05	28.23
Maine Community Fund Grant	427.08			427.08
Sunshine	109.36		35.20	74.16
Technology	524.00			524.00
Nature Trail Grant	122.84		122.84	
Donations	250.84	1,183.17	813.65	620.36
Mainely Nutrition	22.18			22.18
Darlene White Account	184.95		88.00	96.95
Kara - Walmart	26.22		26.22	
Title IA/PLC	(640.48)			(640.48)
Staff Coffee Fund	81.84	631.15	644.72	68.27
Total	<u>\$ 4,444.93</u>	<u>\$ 3,655.14</u>	<u>\$ 5,584.90</u>	<u>\$ 2,515.17</u>

REGIONAL SCHOOL UNIT #19
RECONCILIATION OF THE AUDIT ADJUSTMENTS TO MEDMS FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2013

	<u>GENERAL FUND</u>				<u>TOTAL</u>
	<u>REGULAR</u>	<u>MAJOR</u>	<u>SPECIAL</u>	<u>SCHOOL</u>	
	<u>UNDESIGNATED</u>	<u>CAPITAL</u>	<u>REVENUE</u>	<u>LUNCH</u>	
June 30 Balance as per MEDMS Financial System	\$ 1,787,130.32	\$ 3,351.70	\$ 64,226.03	\$ (82,050.68)	\$ 1,772,657.37
Beginning balance adjustment	(757,509.31)		(346,368.46)	71,731.52	(1,032,146.25)
REVENUE ADJUSTMENTS:					
Accounts Receivable		(4,192.81)			(4,192.81)
Revenues	1,075,430.48		1,256,027.58	35,574.95	2,367,033.01
Donated Commodities				48,382.96	48,382.96
EXPENDITURE ADJUSTMENT:					
Expenditures	(1,871,782.72)		(1,067,960.95)	(69,837.62)	(3,009,581.29)
Transfer Balances	6,173.00		(6,173.00)		
Audited GAAP Basis Fund Balance	<u>\$ 239,441.77</u>	<u>\$ (841.11)</u>	<u>\$ (100,248.80)</u>	<u>\$ 3,801.13</u>	<u>\$ 142,152.99</u>