

**REGIONAL SCHOOL UNIT NO. 19**

**Annual Financial Report**

**For the Year Ended June 30, 2016**

**REGIONAL SCHOOL UNIT NO. 19**  
**Annual Financial Report**  
**For the year ended June 30, 2016**

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## Independent Auditor's Report

Board of Directors  
Regional School Unit No. 19  
Newport, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 19 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School Unit's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School Unit No. 19 as of June 30, 2016, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Although Regional School Unit No. 19's General Fund had revenues that exceeded its expenditures for the fiscal year ended June 30, 2016, the net change in the General Fund's fund balance was not enough to cover its beginning deficit. Regional School Unit No. 19's General Fund fund balance ended fiscal year 2016 with a deficit of over \$672,000. In addition, both the School Lunch and Adult Education special revenue funds experienced losses in fiscal year 2016 and had a combined deficit of over \$250,000. The RSU is constrained by its budget process, as adopted at referendum, and therefore cannot raise additional revenues to cover existing deficits in a single fiscal year. This constraint, combined with Regional School Unit No. 19's ongoing issues with cash flows raises doubts that it will be able to eliminate existing deficits and cover future losses in its special revenue programs. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the schedule of the School Unit's proportionate share of the net pension liability and the schedule of School Unit contributions, as listed in the table of contents 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.

Management has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional School Unit No. 19's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, including the detailed budgetary comparison, 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 other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016 on our consideration of the Regional School Unit No. 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Regional School Unit No. 19's internal control over financial reporting and compliance.



December 7, 2016  
South Portland, Maine

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL SCHOOL UNIT NO. 19**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Governmental activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,896,856
Due from other governments	988,101
Inventory	20,373
Capital assets, not being depreciated	936,268
Capital assets, net of accumulated depreciation	16,413,852
Total assets	20,255,450
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	638,244
Total deferred outflows of resources	638,244
<b>LIABILITIES</b>	
Accounts payable	838,651
Accrued payroll and benefits	3,623,011
Accrued interest	47,359
Noncurrent liabilities:	
Due within one year	1,125,724
Due in more than one year	6,439,776
Total liabilities	12,074,521
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	5,715
Total deferred inflows of resources	5,715
<b>NET POSITION</b>	
Net investment in capital assets	11,026,865
Restricted	102,976
Unrestricted	(2,316,383)
<b>Total net position</b>	<b>\$ 8,813,458</b>

*See accompanying notes to basic financial statements.*



REGIONAL SCHOOL UNIT NO. 19  
Statement of Activities  
For the year ended June 30, 2016

Function/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Governmental activities:					
Regular Instruction	\$ 9,853,716	22,629	-	-	(9,831,087)
Special education	4,155,697	-	740,040	-	(3,415,657)
Career and technical education	233,378	-	-	-	(233,378)
Other instruction	538,448	47,845	-	-	(490,603)
Student and staff support	1,484,518	-	-	-	(1,484,518)
System administration	698,200	-	-	-	(698,200)
School administration	1,248,562	-	-	-	(1,248,562)
Transportation	1,974,312	11,152	-	-	(1,963,160)
Facilities maintenance	2,088,142	-	-	-	(2,088,142)
Adult education	194,663	27,961	45,304	-	(121,398)
School lunch program	1,120,404	211,898	826,986	-	(81,520)
Other programs	1,725,156	-	1,753,895	-	28,739
MainePERS - on-behalf payments	1,370,544	-	1,370,544	-	-
Capital outlay	57,248	-	-	-	(57,248)
Interest on debt	289,687	-	-	-	(289,687)
Total governmental activities	27,032,675	321,485	4,736,769	-	(21,974,421)
<b>Total primary government</b>	<b>\$ 27,032,675</b>	<b>321,485</b>	<b>4,736,769</b>	<b>-</b>	<b>(21,974,421)</b>

## General revenues:

Local assessments	9,419,066
Grants and contributions not restricted to specific programs:	
State education subsidy	13,215,651
Other intergovernmental	67,954
Investment earnings	1,311
Miscellaneous	119,002
Total general revenues	22,822,984

Change in net position 848,563

Net position - beginning 7,964,895

**Net position - ending \$ 8,813,458**

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General	Grant Fund	Construction Capital Project	Other Governmental Funds	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,884,446	-	-	12,410	1,896,856
Due from other governments	29,223	917,988	-	40,890	988,101
Interfund loans receivable	991,707	-	-	-	991,707
Inventory	-	-	-	20,373	20,373
<b>Total assets</b>	<b>\$ 2,905,376</b>	<b>917,988</b>	<b>-</b>	<b>73,673</b>	<b>3,897,037</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
Liabilities:					
Accounts payable	408,642	30,830	365,897	33,282	838,651
Accrued payroll and benefits	3,169,018	450,005	-	3,988	3,623,011
Interfund loans payable	-	334,290	370,850	286,567	991,707
<b>Total liabilities</b>	<b>3,577,660</b>	<b>815,125</b>	<b>736,747</b>	<b>323,837</b>	<b>5,453,369</b>
Fund balances (deficits):					
Restricted:					
School grants	-	102,976	-	-	102,976
Unassigned:					
General fund	(672,284)	-	-	-	(672,284)
Construction capital project	-	-	(736,747)	-	(736,747)
Special revenues funds	-	(113)	-	(250,164)	(250,277)
<b>Total fund balances (deficits)</b>	<b>(672,284)</b>	<b>102,863</b>	<b>(736,747)</b>	<b>(250,164)</b>	<b>(1,556,332)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,905,376</b>	<b>917,988</b>	<b>-</b>	<b>73,673</b>	
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.					17,350,120
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:					
Accrued compensated absences					(160,112)
Accrued interest					(47,359)
Capital leases					(334,050)
Bonds payable					(5,989,205)
Net pension liability, including related deferred inflows and outflows of resources					(449,604)
<b>Net position of governmental activities</b>					<b>\$ 8,813,458</b>

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2016**

	General	Grant Fund	Construction Capital Project	Other Governmental Funds	Totals
<b>Revenues:</b>					
Local assessments	\$ 9,309,066	-	-	110,000	9,419,066
Intergovernmental	14,719,967	2,348,361	-	872,290	17,940,618
Charges for services	81,626	-	-	227,922	309,548
Interest	1,311	-	-	-	1,311
Other revenues	119,002	79,756	-	11,937	210,695
<b>Total revenues</b>	<b>24,230,972</b>	<b>2,428,117</b>	<b>-</b>	<b>1,222,149</b>	<b>27,881,238</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Regular Instruction	9,509,262	-	-	-	9,509,262
Special education	3,481,475	674,222	-	-	4,155,697
Career and technical education	233,378	-	-	-	233,378
Other instruction	520,932	-	-	-	520,932
Student and staff support	1,484,518	-	-	-	1,484,518
System administration	707,703	-	-	-	707,703
School administration	1,248,562	-	-	-	1,248,562
Transportation	1,980,587	-	-	-	1,980,587
Facilities maintenance	2,086,541	-	-	-	2,086,541
Adult education	-	-	-	194,663	194,663
School lunch	-	-	-	1,116,954	1,116,954
Other programs	-	1,725,156	-	-	1,725,156
MainePERS - on-behalf payments	1,370,544	-	-	-	1,370,544
Debt service	1,270,122	-	-	-	1,270,122
Capital outlay	178,078	-	449,431	-	627,509
<b>Total expenditures</b>	<b>24,071,702</b>	<b>2,399,378</b>	<b>449,431</b>	<b>1,311,617</b>	<b>28,232,128</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>159,270</b>	<b>28,739</b>	<b>(449,431)</b>	<b>(89,468)</b>	<b>(350,890)</b>
<b>Other financing sources:</b>					
Lease proceeds	178,078	-	-	-	178,078
<b>Total other financing sources</b>	<b>178,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,078</b>
<b>Net change in fund balances</b>	<b>337,348</b>	<b>28,739</b>	<b>(449,431)</b>	<b>(89,468)</b>	<b>(172,812)</b>
<b>Fund balances (deficits), beginning of year, restated</b>	<b>(1,009,632)</b>	<b>74,124</b>	<b>(287,316)</b>	<b>(160,696)</b>	<b>(1,383,520)</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ (672,284)</b>	<b>102,863</b>	<b>(736,747)</b>	<b>(250,164)</b>	<b>(1,556,332)</b>

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2016**

Net change in fund balances--total governmental funds (from Statement 4)	\$	(172,812)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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 expense (\$776,999) exceeded capital outlay (\$662,026) in the current period.</p>		
		(114,973)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases 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 payments for capital leases (\$139,853) and bonds (\$971,180) exceeded proceeds for capital leases (\$178,078) in the current period.</p>		
		932,955
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued interest		9,255
Accrued compensated absences		108,334
Net pension liability		(218,290)
Deferred inflows/outflows of resources related to pensions		304,094
<hr/>		
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>848,563</b>

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the year ended June 30, 2016**

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 9,308,711	9,308,711	9,309,066	355
Intergovernmental	13,364,020	13,364,020	13,349,423	(14,597)
Interest	1,500	1,500	1,311	(189)
Other revenues	157,000	157,000	200,628	43,628
Total revenues	22,831,231	22,831,231	22,860,428	29,197
Expenditures:				
Current:				
Regular instruction	9,246,341	9,246,341	9,492,077	(245,736)
Special education	3,784,901	3,784,901	3,490,746	294,155
Career and technical education	244,669	244,669	233,378	11,291
Other instruction	530,750	530,750	520,932	9,818
Student and staff support	1,671,753	1,671,753	1,487,924	183,829
System administration	696,930	696,930	707,703	(10,773)
School administration	1,324,840	1,324,840	1,248,562	76,278
Transportation	1,838,428	1,838,428	1,980,587	(142,159)
Facilities maintenance	2,598,952	2,598,952	2,086,541	512,411
Debt service	1,425,667	1,425,667	1,270,122	155,545
Total expenditures	23,363,231	23,363,231	22,518,572	844,659
Excess (deficiency) of revenues over (under) expenditures	(532,000)	(532,000)	341,856	873,856
Other financing sources:				
Use of fund balance	52,000	52,000	-	(52,000)
Bond anticipation note	480,000	480,000	-	(480,000)
Total other financing sources	532,000	532,000	-	(532,000)
Net change in fund deficit - budgetary basis	-	-	341,856	341,856
Fund deficit, beginning of year - budgetary basis, restated			(523,629)	
<b>Fund deficit, end of year - budgetary basis</b>			<b>(181,773)</b>	
Reconciliation to GAAP basis:				
Change in accrued teacher summer benefits			(4,508)	
Net change in fund deficit - GAAP basis			337,348	
Fund deficit, beginning of year - GAAP basis, restated			(1,009,632)	
<b>Fund deficit, end of year - GAAP basis</b>			<b>\$ (672,284)</b>	

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Private- purpose Trusts	Agency funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 206,866	191,120
Investments	113,269	-
Total assets	320,135	191,120
<b>LIABILITIES</b>		
Amounts held for others	-	191,120
Total liabilities	-	191,120
<b>NET POSITION</b>		
Held in trust	320,135	-
<b>Total net position</b>	<b>\$ 320,135</b>	<b>-</b>

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2016**

		<b>Private- purpose Trusts</b>
Additions:	\$	
Investment income		4,042
Donations		2,400
<b>Total additions</b>		<b>6,442</b>
Deductions:		
Scholarships		4,000
<b>Total deductions</b>		<b>4,000</b>
Change in fiduciary net position		2,442
Net position, beginning of year		317,693
<b>Net position, end of year</b>	<b>\$</b>	<b>320,135</b>

*See accompanying notes to basic financial statements.*

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements**

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**THE REPORTING ENTITY**

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Regional School Unit No. 19 was organized in 2009 under the laws of the State of Maine. The School Unit is administered by a nineteen member Board of School Directors and encompasses the Towns of Corinna, Dixmont, Etna, Hartland, Newport, Palmyra, Plymouth, and St. Albans.

This report includes all funds of the School Unit. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the School Unit and/or its members, or whether the activity is conducted within the geographic boundaries of the School Unit and is generally available to its members.

It is the School Unit's judgment, based on all pertinent facts derived from the analysis of these criteria that there are no entities that would be considered potential component units within the School Unit that should be included as part of these basic financial statements.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of Regional School Unit No. 19 conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies:

**A. Basis of Presentation**

The School Unit's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-wide Financial Statements:**

The statement of net position and the statement of activities display information about the School Unit as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the School Unit at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School Unit's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School Unit.



**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**2. Fund Financial Statements:**

During the year, the School Unit segregates transactions related to certain School Unit functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School Unit at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

**B. Fund Accounting**

The School Unit uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and fiduciary.

**1. Governmental Funds:**

Governmental funds are those through which most functions of the School Unit are financed. The acquisition, use and balances, of the School Unit's expendable financial resources, and the related liabilities, are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Unit's major governmental funds.

**General Fund** - The General fund is the general operating fund of the School Unit. All revenues not allocated by law or contractual agreement to another fund are accounted for in this fund. Paid from the fund are the general operating expenditures, the fixed charges, and the capital improvement costs not paid through other funds.

**Grant Fund** - Transactions related to resources obtained and used under certain federal, state, and local grants upon which restrictions are imposed and transactions related to the proceeds of special revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

**Construction Capital Project** - The Construction Capital Project Fund is used to account for the funding sources (e.g., bond proceeds) and related capital outlay for the school construction project.

**2. Fiduciary and Agency Fund Types:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension-trust funds, investment-trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School Unit under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School Unit's programs. The School Unit's only trust fund is a private-purpose trust which accounts for a scholarship program for students. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The School Unit's agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program and other programs for which the School Unit acts as a fiscal agent.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**C. Measurement Focus**

**1. Government-wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School Unit are included on the Statement on Net Position.

**2. Fund Financial Statements:**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The private-purpose trust fund is reported using the economic resources measurement focus.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School Unit, available means expected to be received within one year of fiscal year-end.

Nonexchange transactions, in which the School Unit receives value without directly giving equal value in return, include local assessments, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School Unit must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School Unit on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**2. Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

**E. Budgetary Accounting**

A budget is formally adopted for the General Fund each year by a referendum vote, and is prepared on a basis consistent with U.S. generally accepted accounting principles except for Maine Public Employees Retirement System (MainePERS) – on-behalf payments and the benefits for accrued summer salaries. Other special revenue funds, school lunch fund and capital project funds do not have legally adopted budgets but have adopted budgets through formal authorizations by the Board of School Directors and through grant agreements.

**Deposits and Investments** - The School Unit has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments are stated at fair market value.

**Assessments** - In accordance with the provisions of Title 20A, the directors of Regional School Unit No. 19 assess each member community a proportionate share of the additional revenues required to meet current year budgeted expenditures. Each member’s proportionate share is based upon its percentage of the total valuation of the School Unit.

**Interfund Transactions** - During the course of normal operations, the School Unit has several transactions between funds including expenditures and transfers of resources to provide services. These transactions are reported as transfers.

**Inventories** - School Lunch inventories are valued at the lower of cost (first-in, first-out basis) or market. Inventories include the value of the U. S. Department of Agriculture commodities donated to the School Lunch Program.

**Capital Assets** - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets purchased or acquired with an original cost of \$5,000 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

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**Compensated Absences** - Under terms of union contracts and personnel administration policies, employees are granted sick time in varying amounts and are, in some cases, entitled to payment for unused sick time upon termination or retirement. Vested and accumulated compensated absences have been recorded as a liability in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**Pensions** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Inflows and Outflows of Resources** - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental activities have deferred outflows and inflows that relate to the net pension liability, which include the School Unit's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between School Unit contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

**Fund Balance** - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the School Unit is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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The voters at the School Unit budget meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Portions of the General Fund fund balance may be assigned for future periods by management. Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the School Unit's practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the government's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

**Net Position** - Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable and capital leases and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the School Unit or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School Unit's net investment in capital assets was calculated as follows at June 30, 2016:

Capital assets	\$ 32,891,817
Accumulated depreciation	(15,541,697)
Bonds payable	(5,989,205)
Capital leases	(334,050)
<b><u>Net investment in capital assets</u></b>	<b><u>\$ 11,026,865</u></b>

**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 items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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**A. Budgetary Basis vs. GAAP Basis – General Fund**

The School Unit's General Fund budget is prepared on a basis consistent with generally accepted accounting principles (U.S. GAAP) except for Maine Public Employees Retirement System (MainePERS) – on-behalf payments and benefits related to teacher summer accruals, which are not budgeted. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Statement 6) is prepared on the budgetary basis.

Also, as required by generally accepted accounting principles (GAAP), the School Unit has recorded a revenue and expenditure for MainePERS contributions made by the State of Maine on behalf of the School Unit. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$1,370,544. These amounts have been included as intergovernmental revenue and an education expenditure on Statement 2 and in the General Fund on Statement 4 (GAAP basis). There is no effect on the fund balance at the end of the year.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

**B. Overspent Appropriations**

The following appropriations were overspent for the year ended June 30, 2016:

Regular instruction	\$ 245,736
System administration	10,773
Transportation	142,159

**C. Deficit Fund Balances**

At June 30, 2016, the following funds had deficit fund balances:

General Fund	\$ 672,284
Grant Fund:	
Title IA – school improvement	113
Nonmajor Governmental Funds:	
School Lunch	149,716
Adult Education	100,448
Construction Capital Project	736,747

DEPOSITS

*Custodial credit risk – deposits* – Custodial credit risk is the risk that in the event of a bank failure, the School Unit’s deposits may not be returned to it. The School Unit does not have a deposit policy for custodial credit risk. As of June 30, 2016, the School Unit reported deposits of \$2,294,842 with a bank balance of \$2,395,952. None of the School Unit’s bank balances were exposed to custodial credit risk as they were covered by FDIC or by additional insurance purchased on behalf of the School Unit by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 1,896,856
Reported in fiduciary funds	397,986
<b>Total deposits</b>	<b>\$ 2,294,842</b>

INVESTMENTS

At June 30, 2016, the School Unit had the following investments and maturities:

	Fair value	Less than 1 year	1-5 years	More than 5 years
Mutual Funds (1)	\$ 1,276	N/A	-	-
Fixed Annuity Contract	111,993	-	111,993	-
<b>Total investments</b>	<b>\$ 113,269</b>	<b>-</b>	<b>111,993</b>	<b>-</b>

(1) Mutual funds are not considered securities and are exempt from credit risk disclosure noted above.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

**INVESTMENTS, CONTINUED**

Investments have been reported as follows:

<u>Reported in fiduciary funds</u>	<u>\$ 113,269</u>
<b><u>Total investments</u></b>	<b><u>\$ 113,269</u></b>

The School Unit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School Unit has the following recurring fair value measurements as of June 30, 2016:

- The mutual funds are valued using quoted market prices (Level 1 inputs).
- The fixed annuity contract is valued based on the estimated death benefit as of June 30, 2016 (Level 2 inputs).

*Interest Rate Risk* – While the School Unit does not have a formal policy with regard to interest rate risk, its practice is to invest in liquid investments planned to coincide with the cash needs during the year.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is minimized by only holding investments authorized by Maine State statutes. Maine statutes authorize the School Unit to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds.

Regional School Unit No. 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 No. 19. Contract value represents principal and interest earned to date, which approximates fair market value.

**INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivable and payable balances at June 30, 2016 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ 991,707	-
Grant Fund	-	334,290
Construction Capital Project	-	370,850
Nonmajor Governmental Funds		
School Lunch	-	196,495
Adult Education	-	90,072
<b>Totals</b>	<b>\$ 991,707</b>	<b>991,707</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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**CAPITAL ASSETS**

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Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance July 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2016</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 200,363	-	-	200,363
Construction in progress	286,475	449,430	-	735,905
<u>Total capital assets, not being depreciated</u>	<u>486,838</u>	<u>449,430</u>	<u>-</u>	<u>936,268</u>
Capital assets, being depreciated:				
Land improvements	371,843	-	-	371,843
Buildings	25,867,487	-	-	25,867,487
Equipment	2,012,958	15,199	-	2,028,157
Vehicles	3,582,430	197,397	91,765	3,688,062
<u>Total capital assets, being depreciated</u>	<u>31,834,718</u>	<u>212,596</u>	<u>91,765</u>	<u>31,955,549</u>
Less accumulated depreciation for:				
Land improvements	280,699	21,365	-	302,064
Buildings	10,299,087	470,490	-	10,769,577
Equipment	1,623,003	70,152	-	1,693,155
Vehicles	2,653,674	214,992	91,765	2,776,901
<u>Total accumulated depreciation</u>	<u>14,856,463</u>	<u>776,999</u>	<u>91,765</u>	<u>15,541,697</u>
<u>Total capital assets being depreciated, net</u>	<u>16,978,255</u>	<u>(564,403)</u>	<u>-</u>	<u>16,413,852</u>
<b><u>Governmental activities capital assets, net</u></b>	<b><u>\$ 17,465,093</u></b>	<b><u>(114,973)</u></b>	<b><u>-</u></b>	<b><u>17,350,120</u></b>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 538,592
Other instruction	17,516
System administration	3,463
Facilities maintenance	1,601
Transportation	212,377
School lunch program	3,450
<b><u>Total depreciation expense</u></b>	<b><u>\$ 776,999</u></b>



**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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LONG-TERM DEBT

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**A. Changes in Long-term Liabilities**

The following is a summary of long-term liability transactions of the School Unit for the year ended June 30, 2016:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
Bonds payable	\$ 6,960,385	-	971,180	5,989,205	971,180
Capital leases	295,825	178,078	139,853	334,050	154,544
Net pension liability	863,843	218,290	-	1,082,133	-
Accrued compensated absences	268,446	-	108,334	160,112	-
<b>Governmental activities</b>					
<b>long-term liabilities</b>	<b>\$ 8,388,499</b>	<b>396,368</b>	<b>1,219,367</b>	<b>7,565,500</b>	<b>1,125,724</b>

**B. Bonds Payable**

Bonds payable at June 30, 2016 are comprised of the following individual issues:

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/16</u>
Bonds payable:					
School Construction – Revolving	06/03/2009	\$ 363,884(a)	0.00%	07/25/2019	132,566
School Construction	10/25/2001	13,435,000	3.23-5.13%	11/01/2021	4,030,500
Stabilization Bond	06/11/2013	2,800,000	4.00%	11/01/2022	1,826,139
<b>Total bonds payable</b>					<b>\$ 5,989,205</b>

(a) The original amount of the loan was for \$1,212,947, of which \$849,063 has been forgiven by the State.

The annual requirements to amortize all bond obligations payable as of June 30, 2016 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 971,180	253,963	1,225,143
2018	971,180	209,178	1,180,358
2019	971,180	164,691	1,135,871
2020	949,534	119,792	1,069,326
2021-2023	2,126,131	109,319	2,235,450
<b>Total</b>	<b>\$ 5,989,205</b>	<b>856,943</b>	<b>6,846,148</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

LONG-TERM DEBT, CONTINUED

**C. Capital Leases**

The School Unit has entered into lease agreements as lessee for financing the purchases of photocopiers, a tractor, a van, and school buses. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The leases are reported in the Statement of Net Position.

The following items have been capitalized under capital leases as of June 30, 2016:

Tractor	\$ 20,030
Van	19,282
Photocopiers	32,258
School buses	688,829

The following is a schedule of future minimum lease payments under the capital leases at June 30, 2016:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 154,544	10,642	165,186
2018	80,123	5,921	86,044
2019	57,939	3,352	61,291
2020	41,444	1,393	42,837
<b>Total</b>	<b>\$ 334,050</b>	<b>21,308</b>	<b>355,358</b>

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**General Information about the Pension Plan**

**Plan Description** - Teaching-certified employees of the School Unit are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - The SET Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit.

In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by statute.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

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MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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**Contributions** - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Maine statute requires the State to contribute a portion of the School Unit's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to contribute 7.65% of their annual pay. The School Unit's contractually required contribution rate for the year ended June 30, 2016, was 13.38% of annual payroll of which 3.36% of payroll was required from the School Unit and 10.02% was required from the State. Contributions to the pension plan from the School Unit were \$409,265 for the year ended June 30, 2016.

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

At June 30, 2016, the School Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School Unit. The amount recognized by the School Unit as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School Unit were as follows:

School Unit's proportionate share of the net pension liability	\$ 1,082,133
State's proportionate share of the net pension liability associated with the School Unit	<u>13,408,849</u>
<b>Total</b>	<b><u>\$ 14,490,982</u></b>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Unit's proportion of the net pension liability was based on a projection of the School Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Units and the State, actuarially determined. At June 30, 2015, the School Unit's proportion was 0.08%.

For the year ended June 30, 2016, the School Unit recognized a net pension expense of \$1,543,947 and revenue of \$1,220,486 for support provided by the State.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

At June 30, 2016, the School Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	4,011
Net difference between projected and actual earnings on pension plan investments	228,979	-
Changes in proportion and differences between School Unit contributions and proportionate share of contributions	-	1,704
School Unit contributions subsequent to the measurement date	409,265	-
<b>Total</b>	<b>\$ 638,244</b>	<b>\$ 5,715</b>

An amount of \$409,265 is reported as deferred outflows of resources related to pensions resulting from School Unit contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2017	\$ 51,529
2018	57,245
2019	57,245
2020	57,245

**Actuarial Assumptions** - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary Increases	3.5% to 13.5% per year
Investment return	7.125% per annum, compounded annually
Cost of living benefit increases	2.55% per annum

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.7%
<b><u>Total</u></b>	<b><u>100%</u></b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local RSUs will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the School Unit's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School Unit's proportionate share of the net pension liability calculated using the discount rate of 7.125%, as well as what the School Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.125%) or 1 percentage-point higher (8.125%) than the current rate:

	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
School Unit's proportionate share of the net pension liability	\$ 1,894,559	\$ 1,082,133	\$ 405,476

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

**Payables to the Pension Plan** - None as of June 30, 2016.

**REGIONAL SCHOOL UNIT NO. 19**  
**Notes to Basic Financial Statements, Continued**

**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; and natural disasters for which the School Unit either carries commercial insurance or participates in a public entity risk pool, which is sponsored by the Maine School Management Association (MSMA) for both Workers' Compensation coverage and Property and Casualty coverage. Based on the coverage provided by the pool described above, as well as coverage provided by commercial insurance purchased, the School Unit is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2016.

**SUBSEQUENT EVENTS**

In November 2016, the School Unit issued a Bond Anticipation Note of \$4.4 million, the proceeds of which will be used to pay for school construction costs and will be refunded when the School Unit issues general obligation bonds. The bond anticipation note principal and interest, at a rate of 1.85%, are due November 23, 2018.

**PRIOR PERIOD ADJUSTMENTS**

During FY 2016, the School Unit decided to restate its beginning fund balance for the General Fund and several special revenue funds as it was determined the deficits in the special revenue funds should have been covered by the General Fund in prior years.

The following is a summary of the restatements:

	General Fund Fund Balance <u>(Stmt. 4)</u>	Grant Fund Fund Balance <u>(Stmt. 4)</u>
Fund deficits as previously reported	\$ (760,749)	(174,759)
21 <sup>st</sup> century community learning grant deficit	(147,737)	147,737
Title 1A grant deficit	(48,254)	48,254
Title VI rural education grant deficit	(1,254)	1,254
Healthy Maine partnership grant deficit	(660)	660
Black tern program deficit	(138)	138
Medicaid day treatment program deficit	(50,840)	50,840
<b><u>Fund balances (deficits), as restated</u></b>	<b><u>\$ (1,009,632)</u></b>	<b><u>74,124</u></b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Required Supplementary Information**

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**Schedule of School Unit's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System State Employee and Teacher Plan**  
 Last 10 Fiscal Years\*

	<u>2016</u>	<u>2015**</u>
District's proportion of the net pension liability	0.0802%	0.0800%
District's proportionate share of the net pension liability	\$ 1,082,133	863,843
State's proportionate share of the net pension liability Associated with the District	13,408,849	10,639,197
<b>Total</b>	<b>\$ 14,490,982</b>	<b>11,503,040</b>
District's covered-employee payroll	\$ 12,180,503	12,189,864
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8.88%	7.09%
Plan fiduciary net position as a percentage of of the total pension liability	81.18%	83.91%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

\*\*Only two years of information available.

REGIONAL SCHOOL UNIT NO. 19  
Required Supplementary Information, Continued

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**Schedule of School Unit Contributions**  
**Maine Public Employees Retirement System State Employee and Teacher Plan**  
Last 10 Fiscal Years\*

	<u>2016</u>	<u>2015**</u>
Contractually required contribution	\$ 409,265	323,032
Contributions in relation to the <u>contractually required contribution</u>	<u>(409,265)</u>	<u>(323,032)</u>
<b><u>Contribution deficiency (excess)</u></b>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 12,180,503	12,189,864
Contributions as a percentage of covered- employee payroll	3.36%	2.65%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year.

\*\*Only two years of information available.



REGIONAL SCHOOL UNIT NO. 19  
Notes to Required Supplementary Information

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**Changes of Benefit Terms** - None

**Changes of Assumptions** - None

## **COMBINING AND INDIVIDUAL FUND STATEMENTS**

These statements provide a more detailed view of the "basic financial statements" presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type.

## **GENERAL FUND**

The General Fund is the general operating fund of the School Unit. All revenues that are not allocated by law or contractual agreement to another fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds.

**REGIONAL SCHOOL UNIT NO. 19**  
**General Fund**  
**Balance Sheet**  
**June 30, 2016**

		<b>2016</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	1,884,446
Due from other governments		29,223
Interfund loans receivable		991,707
<b>Total assets</b>	<b>\$</b>	<b>2,905,376</b>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities:		
Accounts payable		408,642
Accrued payroll and benefits		3,169,018
<b>Total liabilities</b>		<b>3,577,660</b>
Fund deficit:		
Unassigned		(672,284)
<b>Total fund deficit</b>		<b>(672,284)</b>
<b>Total liabilities and fund deficit</b>	<b>\$</b>	<b>2,905,376</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget And Actual**  
**For the year ended June 30, 2016**

	2016		Variance positive (negative)
	Budget	Actual	
Revenues:			
Local assessments	\$ 9,308,711	9,309,066	355
Intergovernmental:			
State subsidy	13,226,020	13,215,651	(10,369)
State agency clients	100,000	65,818	(34,182)
Medicaid	28,000	38,076	10,076
e-rate	10,000	23,878	13,878
Other intergovernmental	-	6,000	6,000
Total intergovernmental	13,364,020	13,349,423	(14,597)
Interest	1,500	1,311	(189)
Other revenues:			
J.R.O.T.C.	60,000	47,845	(12,155)
Tuition	-	22,629	22,629
Sale of assets	83,000	11,152	(71,848)
Miscellaneous	14,000	119,002	105,002
Total other revenues	157,000	200,628	43,628
Total revenues	22,831,231	22,860,428	29,197
Expenditures:			
Current:			
Regular Instruction	9,246,341	9,492,077	(245,736)
Special education	3,784,901	3,490,746	294,155
Career and technical education	244,669	233,378	11,291
Other instruction	530,750	520,932	9,818
Student and staff support	1,671,753	1,487,924	183,829
System administration	696,930	707,703	(10,773)
School administration	1,324,840	1,248,562	76,278
Transportation	1,838,428	1,980,587	(142,159)
Facilities maintenance	2,598,952	2,086,541	512,411
Debt service	1,425,667	1,270,122	155,545
Total expenditures	23,363,231	22,518,572	844,659

**REGIONAL SCHOOL UNIT NO. 19**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual, Continued**

	2016		Variance positive (negative)
	Budget	Actual	
Excess (deficiency) of revenues over (under) expenditures	\$ (532,000)	341,856	873,856
Other financing sources:			
Use of fund balance	52,000	-	(52,000)
Bond anticipation notes	480,000	-	(480,000)
Total other financing sources	532,000	-	(532,000)
Net change in fund deficit - budgetary basis	-	341,856	341,856
Fund deficit, beginning of year - budgetary basis, restated		(523,629)	
<b>Fund deficit, end of year - budgetary basis</b>		<b>(181,773)</b>	
Reconciliation to GAAP basis:			
Change in accrued teacher summer benefits		(4,508)	
Net change in fund deficit - GAAP basis		337,348	
Fund deficit, beginning of year - GAAP basis, restated		(1,009,632)	
<b>Fund deficit, end of year - GAAP basis</b>	<b>\$</b>	<b>(672,284)</b>	

**OTHER GOVERNMENTAL FUNDS**

**REGIONAL SCHOOL UNIT NO. 19**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds		Totals
	School Lunch	Adult Education	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,028	1,382	12,410
Due from other governments	40,890	-	40,890
Inventory	20,373	-	20,373
<b>Total assets</b>	<b>\$ 72,291</b>	<b>1,382</b>	<b>73,673</b>
<b>LIABILITIES AND FUND DEFICITS</b>			
Liabilities:			
Accounts payable	22,643	10,639	33,282
Accrued payroll	2,869	1,119	3,988
Interfund loans payable	196,495	90,072	286,567
<b>Total liabilities</b>	<b>222,007</b>	<b>101,830</b>	<b>323,837</b>
Fund deficits:			
Unassigned	(149,716)	(100,448)	(250,164)
<b>Total fund deficits</b>	<b>(149,716)</b>	<b>(100,448)</b>	<b>(250,164)</b>
<b>Total liabilities and fund deficits</b>	<b>\$ 72,291</b>	<b>1,382</b>	<b>73,673</b>



**REGIONAL SCHOOL UNIT NO. 19**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2016**

	<u>Special Revenue Funds</u>		<b>Totals</b>
	<b>School Lunch</b>	<b>Adult Education</b>	
<b>Revenues:</b>			
Local assessments	\$ -	110,000	110,000
Intergovernmental	826,986	45,304	872,290
Charges for services	211,898	16,024	227,922
Other revenues	-	11,937	11,937
Total revenues	1,038,884	183,265	1,222,149
<b>Expenditures:</b>			
Current:			
Adult education	-	194,663	194,663
School lunch	1,116,954	-	1,116,954
Total expenditures	1,116,954	194,663	1,311,617
Net change in fund deficits	(78,070)	(11,398)	(89,468)
Fund deficits, beginning of year	(71,646)	(89,050)	(160,696)
<b>Fund deficits, end of year</b>	<b>\$ (149,716)</b>	<b>(100,448)</b>	<b>(250,164)</b>

## **SPECIAL REVENUE FUNDS**

**REGIONAL SCHOOL UNIT NO. 19**  
**Special Revenue Funds - Grant Fund**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2016**

		Fund balances (deficits) beginning of year, restated	Revenues		Expenditures	Fund balances (deficits) end of year
			Federal/ State revenues	Other revenues	Program expenditures	
Federal programs:						
2001	Teacher incentive fund	\$ -	732,424	-	732,424	-
2300	Title IA - disadvantaged	-	778,339	-	778,339	-
2310	Title IA - school improvement	(113)	26,789	-	26,789	(113)
2500	Local entitlement	-	666,027	-	666,027	-
2510	IDEA preschool	31	8,195	-	8,195	31
2670	Title VI - rural education	-	35,000	-	35,000	-
2700	Title IIA - improving teacher quality	-	96,987	-	96,987	-
Total federal programs		(82)	2,343,761	-	2,343,761	(82)
Other programs:						
2030	Broadcasting	500	-	-	-	500
2060	ME community grant	140	-	-	-	140
2080	Other local grants	3,135	-	-	-	3,135
2100	King foundation	-	-	5,000	4,725	275
2130	MELMAC	4,977	-	7,200	5,929	6,248
2140	Project care	3,932	-	-	3,876	56
2190	Healthy Maine partnership	180	-	-	180	-
2200	Dental	16	-	3,000	2,850	166
2210	After school	5,123	-	-	-	5,123
2232	Proficiency based transition	28,591	-	23,373	2,713	49,251
2233	PEPG grant	-	4,600	-	-	4,600
2240	Depot	24,242	-	41,183	33,235	32,190
2420	Reading recovery	3,370	-	-	2,109	1,261
Total other programs		74,206	4,600	79,756	55,617	102,945
<b>Total</b>		<b>\$ 74,124</b>	<b>2,348,361</b>	<b>79,756</b>	<b>2,399,378</b>	<b>102,863</b>

## **SCHEDULES**

**REGIONAL SCHOOL UNIT NO. 19**  
**Combining Schedule of Cash Receipts, Disbursements, and Changes in Balances**  
**Fiduciary Funds - Agency Funds**  
**School Activity Funds**  
**For the year ended June 30, 2016**

		Balance				Balance
		July 1, 2015	Additions	Deductions	June 30, 2016	
Activity Fund:						
Corinna Elementary School	Schedule 2	\$ 10,028	15,854	14,909	10,973	
Etna-Dixmont School	Schedule 3	19,905	24,005	29,802	14,108	
Hartland Consolidated School	Schedule 4	6,689	26,760	27,724	5,725	
Newport Elementary School	Schedule 5	7,850	9,060	11,203	5,707	
Nokomis Regional High School	Schedule 6	137,373	121,054	146,370	112,057	
Sebasticook Valley Middle School	Schedule 7	23,226	30,904	33,292	20,838	
Somerset Valley Middle School	Schedule 8	15,865	10,851	8,327	18,389	
St. Albans Consolidated School	Schedule 9	3,705	1,320	1,702	3,323	
<b>Total</b>		<b>\$ 224,641</b>	<b>239,808</b>	<b>273,329</b>	<b>191,120</b>	

**REGIONAL SCHOOL UNIT NO. 19**  
**Corinna Elementary School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances (deficits) July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Transfers</b>	<b>Balances (deficits) June 30, 2016</b>
21st century	\$ 876	-	934	299	241
Discretionary fund P-K-4	2,212	8,674	8,910	-	1,976
General elementary	962	1,956	1,633	4,511	5,796
Lego fundraiser	-	2,300	-	-	2,300
Library elementary	1,042	2,180	2,933	139	428
Postage	(102)	473	499	89	(39)
Charity	5,038	271	-	(5,038)	271
<b>Totals</b>	<b>\$ 10,028</b>	<b>15,854</b>	<b>14,909</b>	<b>-</b>	<b>10,973</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Etna-Dixmont School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances</b>			<b>Balances</b>
	<b>July 1,</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>June 30,</b>
	<b>2015</b>			<b>2016</b>
General fund	\$ 6,856	4,347	7,279	3,924
Juice	741	656	967	430
Library	1,189	6,706	6,885	1,010
Music	152	100	209	43
Scholarship	1,504	770	600	1,674
Sports	719	2,939	2,474	1,184
Field trips	4,058	6,358	6,352	4,064
Yearbook	693	880	1,164	409
Toothacker	956	790	965	781
EDS school	2,951	459	2,821	589
Show chorus	86	-	86	-
<b>Totals</b>	<b>\$ 19,905</b>	<b>24,005</b>	<b>29,802</b>	<b>14,108</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Hartland Consolidated School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances (deficits) July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Transfers</b>	<b>Balances June 30, 2016</b>
Administration	\$ 795	1,586	2,063	-	318
After school fitness program	4,213	3,454	6,628	-	1,039
Central office reimbursable	(1,774)	2,708	804	-	130
Community service	1,164	-	-	(1,164)	-
General purpose	505	7,003	7,663	1,164	1,009
Library	528	92	23	-	597
PTF	201	10,435	8,105	-	2,531
Student account	1,057	1,482	2,438	-	101
<b>Totals</b>	<b>\$ 6,689</b>	<b>26,760</b>	<b>27,724</b>	<b>-</b>	<b>5,725</b>



**REGIONAL SCHOOL UNIT NO. 19**  
**Newport Elementary School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balances (deficits) June 30, 2016</b>
21st century	\$ 196	-	-	196
Band	155	-	-	155
Coop games	31	-	-	31
Dress down	96	304	600	(200)
Friends	93	-	110	(17)
Fund raising	600	-	-	600
General	55	-	-	55
Grants	665	-	-	665
Health	1,079	-	35	1,044
Library	978	6,601	6,736	843
PBIS	185	-	-	185
Postage	906	17	677	246
Recycling	512	-	-	512
School project	2,005	1,595	2,866	734
Sunshine	294	155	179	270
Title 1	-	388	-	388
<b>Totals</b>	<b>\$ 7,850</b>	<b>9,060</b>	<b>11,203</b>	<b>5,707</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Nokomis High School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	Balances (deficits) July 1, 2015	Receipts	Disbursements	Balances June 30, 2016
2015	\$ 10	196	206	-
2016	3,528	6,039	8,894	673
2017	2,812	7,814	4,842	5,784
2018	230	3,564	2,874	920
2019	-	71	-	71
Alternative ed	(13)	3,528	3,513	2
Art	261	-	-	261
Athletics	7,355	12,427	15,689	4,093
Automotive	707	-	-	707
Broadcasting	9,100	1,870	2,494	8,476
CD account	196	12	-	208
Cooking club	-	1,485	779	706
Drama	6,548	8,275	9,866	4,957
FBLA	1,213	2,636	3,747	102
Foodservice	1,131	1,054	270	1,915
Garden club	178	147	133	192
General	2,833	3,106	3,887	2,052
Grants - Whitten	267	201	263	205
Graphics	16,660	4,331	5,512	15,479
GSA	56	-	56	-
Guitar club	20	-	20	-
History	1	-	-	1
Honors 9 class	11	-	-	11
Horticulture	4,317	-	275	4,042
JMG	1,456	-	173	1,283
JROTC	10,065	10,061	14,435	5,691
Key club	1,191	1,640	2,567	264

*continued*

**REGIONAL SCHOOL UNIT NO. 19**  
**Nokomis High School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	Balances (deficits) July 1, 2015	Receipts	Disbursements	Balances (deficits) June 30, 2016
Latin club	\$ 367	4,933	5,456	(156)
Library	2,053	1,333	1,832	1,554
Literacy	2,689	440	1,702	1,427
Martial arts	64	-	64	-
Math team	99	-	-	99
Media journalism	-	2,019	1,325	694
MELMAC	7,997	-	2,310	5,687
Miscellaneous	16,844	538	2,766	14,616
NHS	507	1,821	2,314	14
Nokomis outing club	158	500	135	523
Nokomis school garden	-	1,800	988	812
Office misc.	266	-	266	-
P.E.A.C.E. team	42	-	-	42
PEER mediation	294	-	294	-
Princ. - academic	16,271	12,496	22,207	6,560
Project graduation	14,883	5,785	5,430	15,238
Ray Dionne	260	-	260	-
Recycling club	102	-	-	102
Renaissance	364	72	78	358
Resource officer	300	-	-	300
SAT team	919	-	919	-
Scholarships	2,500	2,250	4,500	250
School paper	19	-	19	-
Science	172	-	44	128
Spanish club	518	-	365	153
Special olympics	828	2,000	795	2,033
Student senate	1,192	871	1,219	844
Sunshine club	120	-	120	-
Surplus equipment	80	-	80	-
Table gaming	33	-	-	33
Tech - computer	14	232	130	116
VIP	160	89	80	169
Warrior	79	-	79	-
Yearbook	(2,954)	15,418	10,098	2,366
<b>Totals</b>	<b>\$ 137,373</b>	<b>121,054</b>	<b>146,370</b>	<b>112,057</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Sebasticook Valley Middle School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances (deficits) July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balances (deficits) June 30, 2016</b>
Athletics	\$ 2,024	1,322	1,707	1,639
Book fair	481	1,537	1,672	346
Camp scholarship	6,075	-	-	6,075
Drama	167	-	-	167
Dress down	-	514	300	214
Finyl vinyl	76	-	67	9
General	489	3,238	4,696	(969)
Grade 5	1,200	2,921	2,827	1,294
Grade 6	1,292	725	1,081	936
Grade 7	2,792	683	1,139	2,336
Grade 8	308	2,376	2,474	210
Library	889	94	157	826
Oak Grove Foundation	990	-	-	990
Postage	(206)	913	1,242	(535)
PTF	370	12,261	10,137	2,494
Show chorus	3,099	1,141	2,557	1,683
Student council	3,180	3,179	3,236	3,123
<b>Totals</b>	<b>\$ 23,226</b>	<b>30,904</b>	<b>33,292</b>	<b>20,838</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**Somerset Middle School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances (deficits) July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balances (deficits) June 30, 2016</b>
6th grade fund	\$ (100)	918	-	818
Anthony Tucker scholarship	184	-	-	184
Boston	4,445	4,647	4,445	4,647
Health fund account	1,327	-	1	1,326
Library	1,344	8	114	1,238
Life skills	-	1,135	-	1,135
Officials	(80)	-	136	(216)
PBIS	267	413	302	378
Postage	74	-	417	(343)
PTF	893	-	893	-
Sports	1,089	2,089	1,023	2,155
Student council	1,351	-	223	1,128
Student fund	3,273	1,540	527	4,286
Water cooler	34	88	246	(124)
YAP	750	-	-	750
Yearbook	1,014	13	-	1,027
<b>Totals</b>	<b>\$ 15,865</b>	<b>10,851</b>	<b>8,327</b>	<b>18,389</b>

**REGIONAL SCHOOL UNIT NO. 19**  
**St. Albans Consolidated School Student Activity Funds**  
**Schedule of Cash Receipts, Disbursements and Changes in Cash Balances**  
**For the year ended June 30, 2016**

	<b>Balances (deficits) July 1, 2015</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balances (deficits) June 30, 2016</b>
General account	\$ 1,975	113	749	1,339
Bigelow account	437	1	-	438
Monthly income	69	1	-	70
Library account	52	11	22	41
Postage	(142)	173	155	(124)
Maine community fund grant	427	-	-	427
Sunshine	68	20	20	68
Technology	524	-	-	524
Donations	895	231	582	544
Title IA/PLC	(640)	640	-	-
Staff coffee fund	40	130	174	(4)
<b>Totals</b>	<b>\$ 3,705</b>	<b>1,320</b>	<b>1,702</b>	<b>3,323</b>