

**REGIONAL SCHOOL UNIT NO. 18**

**Annual Financial Report**

**For the Year Ended June 30, 2019**

**REGIONAL SCHOOL UNIT NO. 18**  
**Annual Financial Report**  
**For the Year Ended June 30, 2019**

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Certified Public Accountants and Business Consultants

## Independent Auditor's Report

To the Board of Directors  
Regional School Unit No. 18

### **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. 18, as of and for the year ended June 30, 2019, 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. 18 as of June 30, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the required supplementary information related to the net pension liability, and the required supplementary information related to the OPEB liabilities, 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 18'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 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 fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of Regional School Unit No. 18'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. 18's internal control over financial reporting and compliance.



December 19, 2019  
South Portland, Maine

**REGIONAL DISTRICT NO. 18**  
**Management's Discussion and Analysis**  
**As of June 30, 2019**

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Regional District No. 18 (District) offers readers of these financial statements an overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider this information in addition to materials furnished in the basic financial statements and accompanying notes to these financial statements.

**Fiscal Year Financial Summary**

- For the fiscal year ending June 30, 2019, the District restated its net position on a government-wide basis of reporting to account for the District's Other Postemployment Benefits (OPEB) liability as required by the Governmental Accounting Standards Board (GASB) Statement Number 75. Compliance with GASB Statement No. 75 provides for a more accurate accounting and financial reporting of the District's obligations for postemployment benefits other than pensions. This adjustment reflects an implicit liability for retiree health and life insurance as provided through the Maine Education Association Benefits Trust (MEABT). This restatement effectively decreased the District's net position by \$6,572,733.
- The District's total long-term debt, including capital leases, pensions, other postemployment benefit (OPEB) liabilities, and accrued compensation balances decreased by \$2,007,543 during the year to \$28,780,534. The principle change for this year was complying with Governmental Accounting Standards Board (GASB 75) requirements for reporting of other postemployment (OPEB) benefits other than pensions.
- The District's General Fund budget for fiscal year ending June 30<sup>th</sup>, 2019 was \$37,580,390. Revenues for this budget year included a planned \$500,000 use of fund balance. Actual revenue of \$37,344,993 exceeded the revenue budget by \$264,603 while actual expenditures of \$36,913,076 were \$542,314 under the planned expenditure budget. Overall excess revenues and under expenditures amounted to \$806,917. Accounting for the planned use of fund balance \$500,000 and an additional transfer of \$200,000 to the school lunch program fund balance deficit, the District's fund balance increased by \$107,282 to \$1,779,732.
- The General Fund's fund balance as reported on the District's financial statements increased by \$107,282 to \$1,779,732. Of this total fund balance, \$937,961 is unrestricted and not dedicated to a specific future use. The additional transfer of \$200,000 over budget (planned \$125,000) helps address the school lunch program negative fund balance and as of June 30, 2019, the school lunch program deficit stood at (\$324,315). This deficit is down from the June 30, 2018 amount of (\$458,268) and the June 30, 2017 amount of (\$551,488). It is a priority of the District to eliminate this negative fund balance over the next few years. Overall, the District's unassigned fund balance stands at 2.5% of budget; well under State requirements for the undesignated fund balance not exceeding three percent of budget or revenues.
- The District is currently making significant improvements to all District facilities addressing safety, energy efficiency, obsolescence and necessary facility improvements using a \$13.9 million facilities improvement bond approved by voters in November 2017. Through June 30, 2019, \$6,207,239 has been spent with the remaining \$7,692,761 being used for projects across the District over the next few years.

**Fiscal Year Overview and Analysis of Financial Statements**

This Discussion and Analysis provides an introduction for the District's financial statements. The District's financial statements are presented in three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to these financial statements.

**REGIONAL DISTRICT NO. 18**  
**Management's Discussion and Analysis**  
**As of June 30, 2019**

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- 1) **Government-wide financial statements** – These financial statements give the reader a broad overview of the District's finances similar in format for what one would receive for a private-sector business.

**Governmental activities** - The District provides the following services and includes activities such as regular and special education instruction, student support services, operation and maintenance of plant, transportation, school and District administration, adult education, and principal/interest on long-term liabilities. Local assessments and state and federal grants fund most of these activities. The government-wide statements can be found on pages 11-12 of this financial report.

The **statement of net position** presents information on the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **statement of activities** shows how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

- 2) **Fund financial statements** - A *fund* is a grouping of related activities/accounts used to effectively manage, monitor and report on the resources that have been allocated for these activities or objectives. The District employs fund accounting practices to ensure and demonstrate accountability and compliance with Local, State, and Federal financial and legal requirements. All District funds are divided into two categories: governmental funds and fiduciary funds.

**Governmental funds** – These funds account for and report on governmental activities (regular and special education instruction, student support services, operation and maintenance of plant, transportation, school and District administration, adult education, and principal/interest on long-term liabilities) in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows and outflows of available resources*, as well as *balances of these resources* at the close of the fiscal year. This information can be useful in evaluating a government's near-term financing obligations.

Leveraging the narrower focus of governmental funds (to government-wide financial statements) allows readers to better understand the longer-term impact of the District's near-term financing decisions. Reviewing the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances facilitates a comparison and reconciliation between *governmental funds* and *governmental activities*.

Annually, the District adopts a budget for its general fund in order to provide the services and functions it is responsible for. Included in this analysis is a budgetary comparison (actual versus budget) demonstrating compliance with this budget.

The governmental fund financial statements can be found on pages 49-56 of this financial report.

**Fiduciary funds** – These funds account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the District cannot use these funds to finance its operations. The District uses an agency fund to account for resources held for student groups. The fiduciary fund financial statements can be found on page 57 of this report.

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**3) Notes to the financial statements** – This discussion and analysis provides notes and additional information that providing for a fuller understanding of the information provided in these government-wide and fund financial statements. The notes to these financial statements can be found on pages 18-40 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The District's **Net Position** over time can be a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for governmental activities by \$14,015,207 as of June 30, 2019. This overall increase of \$992,303 over June 30, 2018 is principally driven by the fact that revenues increased more than expenses in the current year.

A portion of the District's net position is reflected in its investment in **capital assets** (e.g., land, buildings, vehicles, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The District leverages and cares for these assets in order to provide services and functions it is responsible for; consequently, these assets are not available for future spending. As noted earlier the District is currently making significant improvements to all District facilities addressing safety, energy efficiency, obsolescence and necessary facility improvements using a \$13.9 million facilities improvement bond. The construction in progress balance for these projects as of June 30, 2019 stands at \$6,295,924 versus the June 30 2018 balance of \$318,764, an increase of \$5,977,160. These assets will transition to capital assets as these projects are completed.

The District's overall financial position is the cumulative result of financial transactions including the net results of activities, the acquisition of and payment of debt, the acquisition of and disposal of capital assets, and the depreciation of capital assets.

<b>Statement of Net Position</b>			
	<b>2019</b>	<b>Restated 2018</b>	<b>Change</b>
Current and other assets	\$ 13,431,896	18,817,468	(5,385,572)
Capital assets (not being depreciated)	6,295,924	318,764	5,977,160
Net capital assets (being depreciated)	25,855,215	26,999,385	(1,144,170)
<b>Total assets</b>	<b>45,583,035</b>	<b>46,135,617</b>	<b>(552,582)</b>
Deferred outflows of resources related to OPEB	263,256	254,157	9,099
Deferred outflows of resources related to pensions	686,226	647,653	38,573
<b>Total deferred outflows of resources</b>	<b>949,482</b>	<b>901,810</b>	<b>47,672</b>
Current liabilities	3,384,963	3,178,804	206,159
Noncurrent liabilities (due within one year)	2,426,593	2,358,148	68,445
Noncurrent liabilities (in more than one year)	26,353,941	28,429,929	(2,075,988)
<b>Total liabilities</b>	<b>32,165,497</b>	<b>33,966,881</b>	<b>(1,801,384)</b>
Deferred inflows of resources related to OPEB	261,622	-	261,622
Deferred inflows of resources related to pensions	90,191	47,642	42,549
<b>Total deferred inflows of resources</b>	<b>351,813</b>	<b>47,642</b>	<b>304,171</b>
Net investment in capital assets	18,295,663	10,995,799	7,299,864
Restricted	1,085,517	1,020,447	65,070
Unrestricted	(5,365,973)	1,006,658	(6,372,631)
<b>Total net position</b>	<b>\$ 14,015,207</b>	<b>13,022,904</b>	<b>992,303</b>

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**As of June 30, 2019**

Below is a summary of revenues and expenses and changes in overall fund balances for the fiscal year ended June 30, 2019. Revenues increased by \$1,596,295 driven primary by higher intergovernmental and local assessments, but all revenue categories saw increases, except for capital grants and contributions. Additionally interest incomes were significantly higher due to improved interest rate earnings and from the District facility bond interest earnings. Expenditures increased \$1,209,292 driven principally by the facilities bond spending and debt service (principal and interest) expenses for payment of this bond. Special Education expenditures increased due to increased student needs, and for students new to the District.

	<b>Statement of Activities</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 566,948	520,745	46,203
Operating grants and contributions	5,320,812	5,165,280	155,532
Capital grants and contributions	10,000	209,469	(199,469)
General revenues:			
Local assessments	22,535,301	22,107,716	427,585
Intergovernmental	14,090,856	13,227,202	863,654
Interest income	203,994	24,906	179,088
Other Revenues	71,952	23,685	48,267
Contributions to permanent fund principal	75,435	-	75,435
<b>Total revenues</b>	<b>42,875,298</b>	<b>41,279,003</b>	<b>1,596,295</b>
<b>Expenses:</b>			
Instruction	24,442,597	24,127,939	314,658
Instructional support	4,456,661	4,215,881	240,780
Transportation	1,350,755	1,961,305	(610,550)
Facilities maintenance	5,182,350	3,562,071	1,620,279
System administration	945,097	1,034,794	(89,697)
School administration	1,956,569	1,921,171	35,398
Other program expenditures	1,856,767	1,869,112	(12,345)
Adult education	58,518	67,718	(9,200)
School lunch program	1,269,075	1,238,472	30,603
Miscellaneous capital	266,490	573,684	(307,194)
Interest on debt	98,116	101,556	(3,440)
<b>Total expenses</b>	<b>41,882,995</b>	<b>40,673,703</b>	<b>1,209,292</b>
<b>Change in net position</b>	<b>992,303</b>	<b>605,300</b>	<b>387,003</b>
<b>Net position, beginning of year, restated</b>	<b>13,022,904</b>	<b>18,990,337</b>	<b>(5,967,433)</b>
<b>Net position, end of year</b>	<b>\$ 14,015,207</b>	<b>19,595,637</b>	<b>(5,580,430)</b>

The narrative that follows discusses the operations of governmental activities.

- For the year ended June 30, 2019, the District's net position for governmental activities increased \$992,303.
- Charges for services are revenues earned by the District in return for services provided. These revenues consisted of tuition, rental income, adult education fees, and school lunch revenues. Charges for services totaled \$566,948 increasing by \$46,203 over June 30, 2018.
- During the year, the District received program-specific operating grants and contributions totaling \$5,320,812, an increase of \$155,532 over June 30, 2018. These grants and contributions represent resources that are restricted for use and help to offset the District's costs for operating these various programs. The majority these grants and contributions come from state and federal sources.

**REGIONAL DISTRICT NO. 18**  
**Management's Discussion and Analysis**  
**As of June 30, 2019**

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- General revenues consist of all revenues that are not considered to be program revenues or charges for services. General revenues for the year ended June 30, 2019 totaled \$36,902,103. Of this amount, \$22,535,301 was from local assessments paid by the Towns of Belgrade, China, Oakland, Rome and Sidney, while \$14,090,856 was received from State education subsidy.

**Financial Analysis of the District's Funds**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The District's governmental funds accounting provides information for near-term inflows, outflows, and balances of spendable resources. At the completion of the fiscal year governmental funds reported a combined fund surplus of \$10,263,552, which is \$5,575,379 less than the previous year. The majority of the change is due to spending of the District's facilities bond proceeds and current construction in progress projects across the District.

The District's combined fund balance for governmental funds is as follows:

- General Fund fund balance increased by \$107,282 to \$1,779,732 over the previous year.
- Nonmajor Governmental Funds fund balance increased by \$56,070 to \$1,115,374.
- Bonded capital projects fund balance was \$7,692,761 and decreased by \$5,872,684 as construction efforts across the District continue.
- The school lunch program fund balance was a negative \$324,315, and is a \$133,953 improvement over June 30, 2018's negative fund balance of \$458,268.

Total governmental fund expenditures for the year were \$49,238,691 and are broken down as follows:

<b>Category</b>	<b>2019</b>
Regular instruction	\$ 15,859,051
Special education	5,076,129
Adult Education	58,518
Other instruction	727,261
Student and staff support	4,212,862
System administration	931,100
School administration	1,956,569
Transportation	2,341,232
Facilities and maintenance	4,940,601
Maine PERS - on-behalf payments	2,322,197
Other program expenditures	1,856,767
School lunch	1,261,635
Capital outlay	6,765,402
Debt service	929,367
<b>Total government</b>	<b>\$ 49,238,691</b>

**REGIONAL DISTRICT NO. 18**  
**Management's Discussion and Analysis**  
**As of June 30, 2019**

**Capital Asset and Debt Administration** – Below is a summary of capital assets with more information on these capital assets available in the notes to the basic financial statements.

**Capital Assets** – A summary of the District capital asset activity as of June 30, 2019 and 2018 is shown below. The major changes over June 30, 2018 include an increase of \$5,977,160 for projects underway (not yet being depreciated) as part of the District facilities bond. Total assets being depreciated decreased by \$224,751 and accumulated depreciation increased by \$919,419 to \$24,127,151. Overall net capital assets increased by \$4,832,990 for the District representing the significant increase in construction in progress and the net result of depreciation of current capital assets.

<b>Governmental activities - Capital Assets</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Construction in progress	\$ 6,295,924	318,764	5,977,160
<b>Total capital assets, not being depreciated</b>	<b>6,295,924</b>	<b>318,764</b>	<b>5,977,160</b>
<b>Capital assets being depreciated:</b>			
Land improvements	341,568	363,084	(21,516)
Buildings and improvements	44,052,281	44,265,540	(213,259)
Equipment	1,375,674	1,612,298	(236,624)
Vehicles	3,899,904	3,653,256	246,648
Infrastructure	312,939	312,939	-
<b>Total capital assets being depreciated</b>	<b>49,982,366</b>	<b>50,207,117</b>	<b>(224,751)</b>
Less accumulated depreciation	(24,127,151)	(23,207,732)	(919,419)
<b>Total capital assets, net</b>	<b>\$ 25,855,215</b>	<b>26,999,385</b>	<b>(1,144,170)</b>

**Debt Administration** – The District's long-term liability activity for the year ended June 30, 2019 is shown below. A key driver in the change in the District's overall long-term debt position is driven by the inclusion of GASB Statement No. 75 OPEB accounting for the implicit liability for retiree health and life insurance. The June 30, 2019 long-term debt balance was \$28,780,534 differing from the June 30, 2018 balance of \$30,788,077. The long-term debt change was additions for capital leases and accrued compensation balances with deletions of bond/note payments, net pension liability, OPEB reporting, and capital lease payments.

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Bonds and notes payable	\$ 18,342,738	-	1,612,958	16,729,780	1,594,545
Net pension liability	598,663	-	2,331	596,332	-
Total OPEB liability	6,826,890	-	252,384	6,574,506	-
Accrued compensated absences	47,462	13,997	-	61,459	-
Capital leases	4,972,324	788,014	941,881	4,818,457	832,048
<b>Total</b>	<b>\$ 30,788,077</b>	<b>802,011</b>	<b>2,809,554</b>	<b>28,780,534</b>	<b>2,426,593</b>

**REGIONAL DISTRICT NO. 18**  
**Management's Discussion and Analysis**  
**As of June 30, 2019**

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**LOOKING AHEAD AT THE NEXT FINANCIAL YEAR**

Here are some highlights for our next financial year. We will continue efforts to reduce the school lunch program negative fund balance. We will continue to make progress on the district facilities bond and the many projects that make up this effort. A significant amount of projects will move from construction in progress to capital assets as well as new construction in progress efforts getting underway. We are working to comply with GASB Statement No. 84, *Fiduciary Activities* that will principally impact our school activity accounts. We will also to be working to comply with GASB Statement No. 87, *Leases* which predominantly impacts how leases are treated and reported on. The District is planning to upgrade its financial system in October 2020 and a significant amount of work will be done to prepare for and be ready for a successful conversion in this next financial year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers and investors, and creditors with a general overview of the District's financial situation as of June 30, 2019. If you have any questions about this report or need additional financial information, please contact the Regional School Unit No. 18 Superintendent Office at 41 Heath Street, Oakland, Maine 04963 or call (207) 465-7384.

## **BASIC FINANCIAL STATEMENTS**

**REGIONAL SCHOOL UNIT NO. 18**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 12,787,214
Investments	205,462
Due from other governments	376,301
Prepaid expenses	14,156
Inventory	48,763
Capital assets not being depreciated	6,295,924
Capital assets being depreciated, net	25,855,215
Total assets	45,583,035
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	686,226
Deferred outflows of resources related to OPEB	263,256
Total deferred outflows of resources	949,482
<b>LIABILITIES</b>	
Accounts payable	315,817
Accrued wages and benefits	2,729,323
Accrued interest	216,619
Due to agency funds	123,204
Noncurrent liabilities:	
Due within one year	2,426,593
Due in more than one year	26,353,941
Total liabilities	32,165,497
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	90,191
Deferred inflows of resources related to OPEB	261,622
Total deferred inflows of resources	351,813
<b>NET POSITION</b>	
Net investment in capital assets	18,295,663
Restricted for:	
Nonexpendable trust fund principal	411,873
Expendable trust fund earnings	603,358
School grants	70,286
Unrestricted	(5,365,973)
<b>Total net position</b>	<b>\$ 14,015,207</b>

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Statement of Activities**  
**For year ended June 30, 2019**

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:					
Instruction	\$ 24,442,597	85,495	2,754,737	-	(21,602,365)
Instructional support	4,456,661	31,134	-	-	(4,425,527)
Transportation	1,350,755	18,784	-	10,000	(1,321,971)
Facilities maintenance	5,182,350	24,765	-	-	(5,157,585)
System administration	945,097	-	-	-	(945,097)
School administration	1,956,569	-	-	-	(1,956,569)
Other program expenditures	1,856,767	-	1,824,947	-	(31,820)
Adult education	58,518	9,532	16,824	-	(32,162)
School lunch program	1,269,075	397,238	673,350	-	(198,487)
Miscellaneous capital	266,490	-	-	-	(266,490)
Interest on debt	98,116	-	50,954	-	(47,162)
Total governmental activities	41,882,995	566,948	5,320,812	10,000	(35,985,235)
<b>Total primary government</b>	<b>\$ 41,882,995</b>	<b>566,948</b>	<b>5,320,812</b>	<b>10,000</b>	<b>(35,985,235)</b>
General revenues:					
Local assessments					22,535,301
State allocation					14,090,856
Investment earnings					203,994
Miscellaneous					71,952
Contributions to permanent fund principal					75,435
Total general revenues					36,977,538
Change in net position					992,303
Net position--beginning, restated					13,022,904
<b>Net position--ending</b>					<b>\$ 14,015,207</b>

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General Fund	School Lunch Program	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,673,446	-	8,021,106	92,662	12,787,214
Investments	-	-	-	205,462	205,462
Due from other governments	135,934	42,100	-	198,267	376,301
Prepaid expenditures	14,156	-	-	-	14,156
Interfund loans receivable	-	-	-	747,451	747,451
Inventory	-	48,763	-	-	48,763
<b>Total assets</b>	<b>\$ 4,823,536</b>	<b>90,863</b>	<b>8,021,106</b>	<b>1,243,842</b>	<b>14,179,347</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	51,150	2,962	261,660	45	315,817
Accrued wages and benefits	2,722,990	6,151	-	182	2,729,323
Interfund loans payable	269,664	406,065	66,685	128,241	870,655
<b>Total liabilities</b>	<b>3,043,804</b>	<b>415,178</b>	<b>328,345</b>	<b>128,468</b>	<b>3,915,795</b>
Fund balances (deficit):					
Nonspendable	-	-	-	411,873	411,873
Restricted	-	-	7,692,761	674,044	8,366,805
Committed	65,000	-	-	31,512	96,512
Assigned	776,771	-	-	-	776,771
Unassigned	937,961	(324,315)	-	(2,055)	611,591
<b>Total fund balances (deficit)</b>	<b>1,779,732</b>	<b>(324,315)</b>	<b>7,692,761</b>	<b>1,115,374</b>	<b>10,263,552</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,823,536</b>	<b>90,863</b>	<b>8,021,106</b>	<b>1,243,842</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.	32,151,139
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds and loans payable	(16,729,780)
Capital leases	(4,818,457)
Net pension liability, including related deferred inflows and outflows	(297)
Total OPEB liability, including related deferred inflows and outflows	(6,572,872)
Accrued interest	(216,619)
Accrued compensated absences	(61,459)

<b>Net position of governmental activities</b>	<b>\$ 14,015,207</b>
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*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For year ended June 30, 2019**

	General Fund	School Lunch Program	Bonded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Local assessments	\$ 22,513,596	-	-	21,705	22,535,301
Intergovernmental	16,845,593	673,350	-	1,791,574	19,310,517
Charges for services	129,044	397,238	-	9,532	535,814
Donations	-	-	-	75,435	75,435
Investment income	56,051	-	125,031	22,912	203,994
Other revenues	154,040	-	10,000	50,197	214,237
<b>Total revenues</b>	<b>39,698,324</b>	<b>1,070,588</b>	<b>135,031</b>	<b>1,971,355</b>	<b>42,875,298</b>
Expenditures:					
Current:					
Regular instruction	15,859,051	-	-	-	15,859,051
Special education instruction	5,076,129	-	-	-	5,076,129
Adult education	-	-	-	58,518	58,518
Other instruction	727,261	-	-	-	727,261
Student and staff support	4,212,862	-	-	-	4,212,862
System administration	931,100	-	-	-	931,100
School administration	1,956,569	-	-	-	1,956,569
Transportation	2,341,232	-	-	-	2,341,232
Facilities maintenance	4,940,601	-	-	-	4,940,601
Maine PERS on-behalf payments	2,322,197	-	-	-	2,322,197
Other program expenditures	-	-	-	1,856,767	1,856,767
School lunch program	-	1,261,635	-	-	1,261,635
Capital outlay	828,661	-	5,936,741	-	6,765,402
Debt service	858,393	-	70,974	-	929,367
<b>Total expenditures</b>	<b>40,054,056</b>	<b>1,261,635</b>	<b>6,007,715</b>	<b>1,915,285</b>	<b>49,238,691</b>
Excess (deficiency) of revenues over (under) expenditures	(355,732)	(191,047)	(5,872,684)	56,070	(6,363,393)
Other financing sources (uses):					
Proceeds from lease issuance	788,014	-	-	-	788,014
Transfers from other funds	-	325,000	-	-	325,000
Transfers to other funds	(325,000)	-	-	-	(325,000)
<b>Total other financing sources (uses)</b>	<b>463,014</b>	<b>325,000</b>	<b>-</b>	<b>-</b>	<b>788,014</b>
Net change in fund balances	107,282	133,953	(5,872,684)	56,070	(5,575,379)
Fund balances (deficit), beginning of year	1,672,450	(458,268)	13,565,445	1,059,304	15,838,931
<b>Fund balances (deficit), end of year</b>	<b>\$ 1,779,732</b>	<b>(324,315)</b>	<b>7,692,761</b>	<b>1,115,374</b>	<b>10,263,552</b>

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For year ended June 30, 2019**

Net change in fund balances--total governmental funds (from Statement 4)	\$	(5,575,379)
<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 change in:</p>		
Capital outlays	6,498,912	
Depreciation	(1,590,453)	
Gain (loss) on disposal of assets	(75,469)	4,832,990
<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 the governmental funds.</p>		
Accrued interest	(16,352)	
Accrued compensated absences	(13,997)	
Net pension liability	2,331	
Total OPEB liability	252,384	
Deferred inflows/outflows related to pensions	(3,976)	
Deferred inflows/outflows related to OPEB	(252,523)	(32,133)
<p>New bonds, loans and capital leases are reflected as other sources in the fund financial statements but are liabilities in the statement of net position.</p>		
Capital lease proceeds	(788,014)	(788,014)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.</p>		
Principal payments on bonds and loans	1,612,958	
Principal payments on capital leases	941,881	2,554,839
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>992,303</b>

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For year ended June 30, 2019**

	General Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Local assessments	\$ 22,513,595	22,513,595	22,513,596	1
Intergovernmental	14,383,303	14,383,303	14,523,396	140,093
Charges for services	107,600	107,600	129,044	21,444
Interest earned	5,000	5,000	56,051	51,051
Other revenues	70,892	70,892	122,906	52,014
Total revenues	37,080,390	37,080,390	37,344,993	264,603
<b>Expenditures:</b>				
Current:				
Regular instruction	16,526,479	16,425,479	15,859,051	566,428
Special education instruction	5,005,368	4,998,868	5,076,129	(77,261)
Career and technical education	6,000	6,000	-	6,000
Other instruction	750,365	748,365	727,261	21,104
Student and staff support	4,287,838	4,278,838	4,182,093	96,745
System administration	842,765	884,765	931,100	(46,335)
School administration	1,933,015	1,929,515	1,956,569	(27,054)
Transportation	2,267,488	2,358,488	2,381,879	(23,391)
Facilities and maintenance	4,986,197	4,975,197	4,940,601	34,596
Debt service	849,875	849,875	858,393	(8,518)
Total expenditures	37,455,390	37,455,390	36,913,076	542,314
Excess (deficiency) of revenues over (under) expenditures	(375,000)	(375,000)	431,917	806,917
<b>Other financing sources (uses):</b>				
Use of fund balance	500,000	500,000	-	(500,000)
Transfer to other funds	(125,000)	(125,000)	(325,000)	(200,000)
Total other financing sources (uses)	375,000	375,000	(325,000)	(700,000)
<b>Reconcile to GAAP basis reporting:</b>				
Change in assigned fund balance	-	-	365	365
Net change in fund balance	-	-	107,282	107,282
Fund balance, beginning of year			1,672,450	
<b>Fund balance, end of year</b>			<b>\$ 1,779,732</b>	

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

		<b>Agency funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	298,400
Interfund loans receivable		131,660
<b>Total assets</b>		<b>430,060</b>
<b>LIABILITIES</b>		
Interfund loans payable		8,456
Amounts held for others		421,604
<b>Total liabilities</b>	<b>\$</b>	<b>430,060</b>

*See accompanying notes to financial statements.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements**

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**THE REPORTING ENTITY**

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Regional School Unit No. 18 was organized in 2009 under the laws of the State of Maine. The School Unit is administered by a ten member Board of School Directors and encompasses the towns of Belgrade, Oakland, Sidney, China, and Rome.

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 government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

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 financial statements.

The School Unit provides a full range of educational services that includes instruction, transportation, operation and maintenance of plant and equipment, student and staff support services, school lunch program, and general administrative services.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of Regional School Unit No. 18 conform to accounting principles generally accepted in the United States of America 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 government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the School Unit. For the most part, the effect of inter-fund activity has been removed from these statements.

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.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The School Unit has elected not to allocate indirect costs among the programs and functions.

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. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School Unit.

**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. Non-major funds are aggregated and presented in a single column. The fiduciary fund is 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 governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School Unit's only 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. From the fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs not paid through other funds.

**School Lunch Program** - The School Lunch Program accounts for revenues received and disbursements made to support the lunch program.

**Bonded Capital Projects** - The Bonded Capital Projects fund accounts for the bond proceeds and related disbursements for various capital projects and improvements.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**2. Fiduciary Funds:**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Unit's own programs.

**Agency Fund Types** - 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 that have student participation in the activity and have students involved in the management of the program as well as amounts held for organizations outside the School Unit.

**C. Measurement Focus**

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

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

**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.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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 sixty days of fiscal year-end.

Non-exchange transactions, in which the School Unit receives value without directly giving equal value in return, include subsidies, 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, grants, and student fees.

**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.

**Cash and Investments** - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value.

**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. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.

**Inventories** - Food services inventories are valued at the lower of cost (first-in, first-out basis) or market, and are offset with a reserve for inventories. Inventories include the value of the U. S. Department of Agriculture commodities donated to the Food Services Program.

**REGIONAL SCHOOL UNIT NO. 18**  
**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 vacation and sick time in varying amounts and are, in some cases, entitled to payment for unused vacation and sick time upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and 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.

**Other postemployment benefits (OPEB)** - For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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 plans. 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 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 and OPEB liability, which include the School Unit's contributions subsequent to the measurement date, which is recognized as a reduction of the respective 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 plan investments, which is deferred and amortized over a five-year period.

**Use of Estimates** - Preparation of the School Unit's financial statements 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.

**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. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

Donated capital assets are recorded at their estimated acquisition cost as of the date received. The School Unit maintains a capitalization threshold of five thousand dollars.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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All reported capital assets, except for land, are depreciated. The historical cost of buildings was estimated based on construction cost and the historical cost of land has been deemed to be insignificant and has not been reported separately. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Buildings and improvements	40 years
Furniture and equipment	5-20 years
Vehicles	5-10 years
Infrastructure	50 years
Land improvements	15-20 years

**Accrued Liabilities and Long-term Obligations** - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources, and reported as obligations of the governmental funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. The capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**Fund Equity** - 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 have 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. 18**  
**Notes to Basic Financial Statements, Continued**

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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The voters of the School Unit have the responsibility for committing fund balance amounts by vote and likewise would be required to modify or rescind those commitments by a similar vote. For assigned fund balance amounts, the Superintendent has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The School Board approves the assigned amounts either before or after year end.

Should there be multiple sources of funding available for a particular purpose, it is the School Unit's practice to expend currently budgeted resources first, and then use other sources in the order of restricted, committed, then assigned amounts, as needed.

**Net Position** - Net position represents the difference between assets, deferred outflows of resources and 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, loans, and capital leases payable 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, 2019:

Capital assets	\$ 56,278,290
Accumulated depreciation	(24,127,151)
Bonds and loans payable	(16,729,780)
Capital leases	(4,818,457)
Unspent bond proceeds	7,692,761
<b>Net investment in capital assets</b>	<b>\$ 18,295,663</b>

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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**Budgetary Information** - A budget is formally adopted for the General Fund each year through the passage of articles through a School Unit warrant, and is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for Maine Public Employees Retirement on-behalf payments, and amounts accounted for in the General Fund's committed and assigned fund balances, which are not budgeted. The level of control (level at which expenditures may not exceed budget) is the School Unit budget referendum article level. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year.

During the year, the School Unit made transfers between budget lines so that some of the budget lines would not be overspent. In accordance with Maine Statute Title 20-A, the budget line transfers did not exceed 5% of the total appropriations for the cost centers from which the transfers were made and the total budget was not changed. The adjustments to the budget are included in the final budget column on Statement 6.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

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**Overspent Appropriations**

The following appropriations were overspent for the year ended June 30, 2019:

Special education instruction	\$ 77,261
System administration	46,335
School administration	27,054
Transportation	23,391
Debt service	8,518

**Deficit Fund Balances**

At June 30, 2019, the following funds had deficit fund balances:

Special Revenue Funds:	
School Lunch Program	\$ (324,315)
Melmac	(174)
Momentum grant	(1,481)
Permanent Funds:	
KMD DR	(400)

These fund deficits will be covered by future revenue sources or transfers from the General Fund.

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ASSESSMENTS

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In accordance with the provisions of Title 20A of the Maine Statutes, the directors of the Regional School Unit No. 18 assess each member community a proportionate share of the additional revenues required to meet current year budgeted expenses. Each member's proportionate share is based upon its percentage of the total state valuation of the School Unit. Assessments are due in twelve equal monthly installments.

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DEPOSITS AND INVESTMENTS

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**A. 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, 2019, the School Unit reported deposits of \$13,085,614 with a bank balance of \$14,323,475. All of the School Unit's bank balances were covered by FDIC insurance, 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	\$ 12,787,214
Reported in fiduciary funds	298,400
<b>Total deposits</b>	<b><u>\$ 13,085,614</u></b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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DEPOSITS AND INVESTMENTS, CONTINUED

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**B. Investments**

At June 30, 2019, the School Unit had the following investments and maturities:

	Fair <u>Value</u>	Less than <u>1 year</u>
Equities/stock	\$ 75,419	N/A
Money market accounts (1)	76,202	N/A
<u>Mutual funds (1)</u>	<u>53,841</u>	<u>N/A</u>
<b><u>Total investments</u></b>	<b><u>\$ 205,462</u></b>	

(1) Money market accounts and mutual funds are not considered securities and are exempt from credit risk disclosure noted above.

All investments have been reported in the governmental funds.

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. All of the School Unit's investments as of June 30, 2019 are valued using quoted market prices (Level 1 inputs).

*Interest Rate Risk:* The School Unit does not currently have a policy, which limits the maturities of investments to certain time periods. However, it is the School Unit's general practice to deposit governmental funds in short term deposits (less than one year). Excess governmental funds on hand daily are swept by the banking institution into overnight repurchase agreements.

*Credit Risk:* 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.

*Custodial Credit Risk-School Unit's investments:* For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the School Unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the School Unit's \$205,462 in investments, 100% was collateralized by underlying securities held by the related bank, which were not in the School Unit's name.

**REGIONAL SCHOOL UNIT NO. 18**  
**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, 2019 was as follows:

	Balance <u>6/30/18</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/19</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 318,764	5,977,160	-	6,295,924
<b>Total capital assets, not being depreciated:</b>	<b>318,764</b>	<b>5,977,160</b>	<b>-</b>	<b>6,295,924</b>
Capital assets being depreciated:				
Land improvements	363,084	-	21,516	341,568
Buildings and improvements	44,265,540	-	213,259	44,052,281
Equipment	1,612,298	62,631	299,255	1,375,674
Vehicles	3,653,256	459,121	212,473	3,899,904
Infrastructure	312,939	-	-	312,939
<b>Total capital assets, being depreciated</b>	<b>50,207,117</b>	<b>521,752</b>	<b>746,503</b>	<b>49,982,366</b>
Less accumulated depreciation:				
Land improvements	152,009	16,771	2,868	165,912
Buildings and improvements	18,969,063	1,104,203	183,923	19,889,343
Equipment	1,420,783	53,964	272,879	1,201,868
Vehicles	2,637,712	409,256	211,364	2,835,604
Infrastructure	28,165	6,259	-	34,424
<b>Total accumulated depreciation</b>	<b>23,207,732</b>	<b>1,590,453</b>	<b>671,034</b>	<b>24,127,151</b>
<b>Total capital assets being depreciated, net</b>	<b>26,999,385</b>	<b>(1,068,701)</b>	<b>75,469</b>	<b>25,855,215</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 27,318,149</b>	<b>4,908,459</b>	<b>75,469</b>	<b>32,151,139</b>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Regular Instruction	\$ 1,164,668
Facilities and maintenance	9,088
Transportation	409,257
School lunch program	7,440
<b>Total depreciation expense</b>	<b>\$ 1,590,453</b>

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**INTERFUND LOANS AND TRANSFERS**

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Individual interfund receivables, payables, and transfer balances at June 30, 2019 were as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
General Fund	\$ -	269,664	(325,000)
School Lunch Program	-	406,065	325,000
Bonded Capital Projects	-	66,685	-

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**INTERFUND LOANS AND TRANSFERS, CONTINUED**

<u>Fund</u>	<u>Interfund receivables</u>	<u>Interfund payables</u>	<u>Interfund transfers</u>
Nonmajor Governmental Funds			
State and Federal Special Revenues	\$ -	128,241	-
Adult Education Funds	30,344	-	-
Permanent Funds	717,107	-	-
Total nonmajor governmental funds	747,451	128,241	-
<u>Agency Funds</u>	<u>131,660</u>	<u>8,456</u>	<u>-</u>
<b>Total</b>	<b>\$879,111</b>	<b>879,111</b>	<b>-</b>

**LONG-TERM DEBT**

The following is a summary of long-term liability transactions of the School Unit for the year ended June 30, 2019.

	<u>Restated Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Bonds and loans payable	\$ 18,342,738	-	1,612,958	16,729,780	1,594,545
Net pension liability	598,663	-	2,331	596,332	-
Total OPEB liability	6,826,890	-	252,384	6,574,506	-
Accrued compensated absences	47,462	13,997	-	61,459	-
Capital leases	4,972,324	788,014	941,881	4,818,457	832,048
<b>Total</b>	<b>\$30,788,077</b>	<b>802,011</b>	<b>2,809,554</b>	<b>28,780,534</b>	<b>2,426,593</b>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2019 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,594,545	484,822	2,079,367
2021	1,594,545	435,162	2,029,707
2022	1,594,545	385,219	1,979,764
2023	898,403	355,036	1,253,439
2024	898,402	337,911	1,236,313
2025-2029	3,894,340	1,406,732	5,301,072
2030-2034	3,475,000	860,712	4,335,712
2035-2038	2,780,000	221,719	3,001,719
<b>Total</b>	<b>\$ 16,729,780</b>	<b>4,487,313</b>	<b>21,217,093</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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LONG-TERM DEBT, CONTINUED

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**General Obligation Debt**

General obligation debt at June 30, 2019 is 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 6/30/19</u>
School Heating Upgrades – Qualified School Construction Bond with Maine Municipal Bond Bank due in annual principal installments	2012	\$ 2,672,172(a)	0%	2027	1,336,087
School Heating Upgrades – School Bond with Maine Municipal Bond Bank due in annual principal and semi-annual interest installments	2012	188,000	6.5%	2026	100,267
School Renovation – General obligation bond with Maine Municipal Bond Bank due in annual principal and semi-annual interest installments	2018	13,900,000	1.92-4.0%	2038	13,205,000
School Renovation – Revolving Loan with Maine Municipal Bond Bank due in annual principal installments	2017	192,625(b)	0%	2022	86,733
School Renovation – Revolving Loan with Maine Municipal Bond Bank due in annual principal installments	2018	115,155(c)	0%	2022	69,093
School Building – Municipal Bond with Maine Municipal Bond Bank due in annual principal installments and semi-annual interest installments	2002	12,883,987	4.59%	2022	1,932,600
<b>Totals</b>					<b>\$ 16,729,780</b>

- (a) The original amount of the bond was for \$3,000,000, of which \$327,828 was forgiven by the State.
- (b) The original amount of the loan was for \$272,865, of which \$118,696 was forgiven by the State.
- (c) The original amount of the bond was for \$205,928, of which \$90,773 was forgiven by the State.

The statutes of the State of Maine provide, in part, that the aggregate principal amount of debt issued by a School Administrative School Unit for capital outlay purposes shall not exceed, at any one time outstanding, the limit of indebtedness of the sum of 10% of the total of the last preceding state valuation of the member municipalities, plus an amount set by the State Board of Education at the time of initial approval of the school construction project not to exceed 4% of the state valuation of the participating municipalities. At June 30, 2019, the School Unit's direct debt was within the minimum statutory limit of 10% of the five participating municipalities.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**LONG-TERM DEBT, CONTINUED**

The School Unit has entered into an agreement with a bank to fund the retirement of the 2012 Qualified School Construction Bond with annual payments to a trust account. The payments deposited into the trust account are invested and it is anticipated that earnings on the deposits will fund a significant portion of the debt retirement obligation. As such, the payments made into the trust are less than what would be required under a traditional payment schedule. When the bond matures, there is the possibility that the deposits made and the investment earnings will not be sufficient to retire the entire principal and interest obligation. In that scenario, the School Unit would be obligated to make a payment to retire any remaining principal or interest due. As of June 30, 2019, the fair market value of the trust account equaled \$1,479,197.

**CAPITAL LEASES**

The School Unit has entered into lease agreements as lessee for financing the acquisition of vehicles, copiers, technology equipment, and school renovations. The agreements contain a fiscal funding clause that permits the School Unit to terminate the agreement on an annual basis if funds are not appropriated. 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 is a schedule of future minimum lease payments under the capital leases at June 30, 2019.

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	832,048	172,318	1,004,366
2021	728,917	143,271	872,188
2022	601,615	118,606	720,221
2023	260,020	98,805	358,825
2024	247,297	88,221	335,518
2025-2029	981,275	287,171	1,268,446
2030-2034	677,525	145,342	822,867
2035-2037	489,760	31,712	521,472
<b>Total</b>	<b>\$ 4,818,457</b>	<b>1,085,446</b>	<b>5,903,903</b>

Leased assets have been capitalized under building improvements, vehicles, equipment, and construction in progress at a total cost of \$4,864,918 and accumulated depreciation of \$742,640 as of June 30, 2019.

**STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES**

The State of Maine currently reimburses the School Unit for a portion of financing costs of school building and school bus purchases. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**FUND BALANCES**

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As of June 30, 2019, fund balance components consisted of the following:

	General Fund	School Lunch Program	Bonded Capital Projects	Other Governmental Funds
<b>Nonspendable</b>				
Permanent fund principal	\$ -	-	-	411,873
Total nonspendable	-	-	-	411,873
<b>Restricted:</b>				
Grant balances	-	-	-	70,286
Permanent fund earnings	-	-	-	603,758
Capital Projects	-	-	7,692,761	-
Total restricted	-	-	7,692,761	674,044
<b>Committed:</b>				
Fuel reserve	65,000	-	-	-
Special revenue funds:				
Adult education	-	-	-	30,299
Medicaid reimbursements	-	-	-	1,213
Total committed	65,000	-	-	31,512
<b>Assigned:</b>				
Technology	26,417	-	-	-
Transportation	354	-	-	-
Subsequent year budget	750,000	-	-	-
Total assigned	776,771	-	-	-
<b>Unassigned:</b>				
General fund	937,961	-	-	-
School lunch program	-	(324,315)	-	-
Special revenue funds:				
Grant balances	-	-	-	(2,055)
Total unassigned	\$ 937,961	(324,315)	-	(2,055)

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**BUDGETARY BASIS VS. GAAP BASIS--GENERAL FUND**

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The School Unit's General Fund budget is prepared on a basis consistent with U.S. generally accepted accounting principles (GAAP) except that the School Unit does not budget for Maine Public Employees Retirement on-behalf payments made by the State and amounts that are recorded as assigned and committed fund balances in the General Fund.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Statement 6) is prepared on the budgetary basis.

The School Unit has recorded a revenue and expenditure for Maine Public Employees retirement and group term life contributions made as required by state law, 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 generally accepted accounting principles of \$2,322,197.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**BUDGETARY BASIS VS. GAAP BASIS--GENERAL FUND**

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These amounts have been included as intergovernmental revenue and expenditure in the governmental activities on Statement 2 (Statement of Activities) and in Statement 4 (GAAP basis). There is no effect on the fund balance or net position at the end of the year.

The School Unit has revenues and expenditures related to transportation contracts, e-rate refunds, and laptop insurance proceeds which are shown as changes in assigned fund balance on Exhibit A-2 and Statement 6 (budgetary basis), but are shown as revenues of \$31,134 and expenditures of \$30,769 on Statement 4 (GAAP basis).

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**NET PENSION LIABILITY**

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***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.

**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, 2019, was 15.05% of annual payroll of which 3.97% of payroll was required from the School Unit and 11.08% was required from the State. Contributions to the pension plan from the School Unit were \$630,502 for the year ended June 30, 2019.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

NET PENSION LIABILITY, CONTINUED

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

At June 30, 2019, 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	\$ 596,332
State's proportionate share of the net pension liability associated with the School Unit	16,625,243
<b>Total</b>	<b>\$ 17,221,575</b>

The net pension liability was measured as of June 30, 2018, 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, 2018, the School Unit's proportion was 0.0442 %

For the year ended June 30, 2019, the School Unit recognized pension expense of \$2,391,836 and revenue of \$1,759,689 for support provided by the State.

At June 30, 2019, 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	\$ 18,213	-
Changes in assumption	37,511	-
Net difference between projected and actual earnings on pension plan investments	-	77,523
Changes in proportion and differences between School Unit contributions and proportionate share of contributions	-	12,668
School Unit contributions subsequent to the measurement date	630,502	-
<b>Total</b>	<b>\$ 686,226</b>	<b>90,191</b>

An amount of \$630,502 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, 2019.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

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>	
2020	\$ 20,841
2021	20,706
2022	(55,188)
2023	(20,826)

**Actuarial Assumptions** - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75% to 14.5% per year
Investment return	6.75% per annum, compounded annually
Cost of living benefit increases	2.20% per annum

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%
<b>Total</b>	<b>100%</b>	

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75%. 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 districts 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 6.75%, 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
School Unit's proportionate share of the net pension liability	\$ 1,102,022	596,332	175,174

**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, 2019.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE**

**General Information about the OPEB Plan**

**Plan Description** - The School Unit sponsors a post-retirement benefit plan providing group term life insurance to retiring teachers. The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at [www.mpers.org](http://www.mpers.org).

**Benefits Provided** - MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions** - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the School Unit were \$44,409 for the year ended June 30, 2019. Employers and employees are not required to contribute to the OPEB plan.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

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

At June 30, 2019, the School Unit reported no liability related to the plan. The State of Maine’s proportionate share of the net OPEB liability associated with the School Unit was \$486,680 as of June 30, 2019. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School Unit’s proportion of the net OPEB liability was based on a projection of the School Unit’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the School Unit’s proportion was 0.00%.

For the year ended June 30, 2019, the School Unit recognized OPEB expense of \$44,409 and also revenues of \$44,409 for support provided by the State. At June 30, 2019, the School Unit reported no deferred outflows of resources nor deferred inflows of resources related to the OPEB plan.

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 14.50%
Investment rate of return	6.75%

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US government securities	10.0%	2.3%
Total	100.0%	

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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**Discount Rate** - The rate used to measure the total OPEB liability for the plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE

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***General Information about the OPEB Plan***

**Plan Description** - The School Unit sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

*Employees Covered by Benefit Terms* – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	151
Inactive employee entitled to but not yet receiving benefits	-
Active employees	462
Total	<u>613</u>

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

***OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The School Unit's total OPEB liability of \$6,574,506 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Changes in the Total OPEB Liability*

Balance at June 30, 2018	\$ 6,826,890
Changes for the year:	
Service cost	64,786
Interest	242,213
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(305,226)
Benefit payments	(254,157)
Net changes	<u>(252,384)</u>
Balance at June 30, 2019	<u>\$ 6,574,506</u>

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

For the year ended June 30, 2019, The School Unit recognized OPEB expense of \$263,395. At June 30, 2019, The School Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ -	261,622
Unit contributions subsequent to measurement date	263,256	-
Total	<u>\$ 263,256</u>	<u>261,622</u>

\$263,256 is reported as deferred outflows of resources related to OPEB resulting from School Unit contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (43,604)
2021	(43,604)
2022	(43,604)
2023	(43,604)
2024	(43,604)
Thereafter	(43,602)

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED**

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

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

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

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

**Discount Rate** - The rate used to measure the total OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the School Unit's total OPEB liability calculated using the discount rate of 3.87%, as well as what the Unit's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 7,721,053	6,574,506	5,664,238

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the School Unit's total OPEB liability calculated using the healthcare cost trend rates, as well as what the Unit's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 5,613,759	6,574,506	7,787,027

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Basic Financial Statements, Continued**

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**RISK MANAGEMENT**

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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, is self insured or participates in a public entity risk pool. The School Unit participates in one public entity risk pool, which is sponsored by the Maine School Management Association (MSMA) for Workers' Compensation coverage.

Based on the coverage provided by this pool, as well as commercial insurance purchased, the School Unit is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2019.

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**COMMITMENTS**

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As of June 30, 2019, the School Unit had outstanding commitments with contractors for the District's \$13.9 million facilities improvement bond. The current contractual obligations include:

<u>Project</u>	<u>Contract total</u>	<u>Remaining balance</u>
Athletic complex upgrade	\$ 3,900,000	374,584
District-wide energy improvements	2,856,755	1,285,540
Belgrade Central School safety Improvements	279,426	279,426
China Middle School gymnasium	949,137	949,137

For all commitments, there is \$2,888,687 remaining to be completed for contracted projects.

The School Unit participates in a number of federally assisted grant programs. Although the programs have been audited in compliance with the Single Audit Act, as amended, these programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for, or including, the year ended June 30, 2019, have not yet been completed. Accordingly, the School Unit's compliance with applicable grant requirements will be established at some future date. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Unit expects such amounts, if any, to be immaterial.

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**SUBSEQUENT EVENTS**

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In June 2019, the School Unit was authorized by the State of Maine to create a Regional Service Center (Kennebec Alliance Education Service Center) with Regional School Unit No. 54, becoming operational on July 1, 2020.

In June 2019, the School Board approved a lease purchase of \$500,000 for technology equipment through Municipal Leasing Consultants, LLC, with an interest rate of 2.457% and a term of four years.

In October 2019, the School Board approved a lease purchase of \$75,000 through Androscoggin Bank for maintenance equipment, with an interest rate of 3.23% and a term of four years.

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**RESTATEMENT OF NET POSITION**

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For the fiscal year ended June 30, 2019, the School Unit has restated beginning net position in the government-wide statement of net position to account for the addition of the School Unit's total OPEB liability in regards to an implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT), which effectively decreased the School Unit's net position as of July 1, 2018 by \$6,572,733.

**REGIONAL SCHOOL UNIT NO. 18**  
**Required Supplementary Information**

**chedule 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>2015**</u>	<u>2016**</u>	<u>2017**</u>	<u>2018**</u>	<u>2019**</u>
School Unit's proportion of the net pension liability	0.0432%	0.0383%	0.0497%	0.0412%	0.0442%
School Unit's proportionate share of the net pension liability	\$ 466,400	516,906	878,719	598,663	596,332
State's proportionate share of the net pension liability associated with the School Unit	13,495,050	17,503,534	22,535,924	17,780,731	16,625,243
<b>Total</b>	<b>\$ 13,961,450</b>	<b>18,020,440</b>	<b>23,414,643</b>	<b>18,379,394</b>	<b>17,221,575</b>
School Unit's covered payroll	\$ 14,484,894	15,264,221	15,559,901	15,300,134	15,679,475
School Unit's proportionate share of the net pension liability as a percentage of its covered payroll	3.22%	3.39%	5.65%	3.91%	3.80%
Plan fiduciary net position as a percentage of the total pension liability	83.91%	81.18%	76.21%	80.78%	82.90%

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

\*\*Only five years of information available.

**REGIONAL SCHOOL UNIT NO. 18**  
**Required Supplementary Information, Continued**

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 404,502	522,813	514,085	622,475	630,502
Contributions in relation to the contractually required contribution	(404,502)	(522,813)	(514,085)	(622,475)	(630,502)
<b><u>Contribution deficiency (excess)</u></b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
School Unit's covered payroll	\$ 15,264,221	15,559,901	15,300,134	15,679,475	15,881,672
Contributions as a percentage of covered payroll	2.65%	3.36%	3.36%	3.97%	3.97%

*\*Only five years of information available.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Required Supplementary Information, Continued**

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**Schedule of School Unit's Proportionate Share of the Net OPEB Liability**  
Last 10 Fiscal Years\*

	<u>2018</u>	<u>2019</u>
School Unit's proportion of the net OPEB liability	0.00%	0.00%
School Unit's proportionate share of the net OPEB liability	\$ -	-
State's proportionate share of the net OPEB liability associated with the School Unit	458,635	486,680
Total	\$ <u>458,635</u>	<u>486,680</u>
Plan fiduciary net position as a percentage of the total OPEB liability	47.29%	48.04%

*\* Only two years of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.*

**REGIONAL SCHOOL UNIT NO. 18**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the School Unit's Total Health Plan OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<b>2019</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 64,786
Interest	242,213
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(305,226)
Benefit payments	(254,157)
<b>Net change in total OPEB Liability</b>	<b>(252,384)</b>
Total OPEB liability - beginning	6,826,890
Total OPEB liability - ending	\$ 6,574,506
Covered-employee payroll	\$ 20,704,581
Total OPEB liability as a percentage of covered-employee payroll	31.8%

\* Only one year of information available.

**REGIONAL SCHOOL UNIT NO. 18**  
**Notes to Required Supplementary Information**

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**Net Pension Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate – SET	6.750%	6.875%	7.125%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases – SET	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases – SET	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

**OPEB – Life Insurance**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations regarding the MPERS life insurance plans:

	<u>2018</u>	<u>2017</u>
Discount rate – SET	6.750%	6.875%

**OPEB – Health Insurance**

**Changes of Benefit Terms** - None

**Changes of Assumptions:**

The Health Plan changed the discount rate from 3.58% in the 2017 valuation to 3.87% in the 2018 valuation.

*\*This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

## **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.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

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

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

**REGIONAL SCHOOL UNIT NO. 18**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2019**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,673,446	3,445,715
Accounts receivable	-	2,197
Due from other governments	135,934	1,018,373
Prepaid expenditures	14,156	-
<b>Total assets</b>	<b>\$ 4,823,536</b>	<b>4,466,285</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	51,150	74,396
Accrued wages and benefits	2,722,990	2,634,645
Interfund loans payable	269,664	84,794
<b>Total liabilities</b>	<b>3,043,804</b>	<b>2,793,835</b>
Fund balances:		
Committed - fuel reserve	65,000	65,000
Assigned - technology	26,417	26,052
Assigned - transportation	354	-
Assigned - for subsequent year budget	750,000	500,000
Unassigned	937,961	1,081,398
<b>Total fund balances</b>	<b>1,779,732</b>	<b>1,672,450</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,823,536</b>	<b>4,466,285</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**For the Year ended June 30, 2019**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Belgrade	\$ 6,207,940	6,207,940	-	6,039,673
China	4,791,816	4,791,817	1	4,728,855
Oakland	5,543,775	5,543,775	-	5,462,480
Rome	1,889,681	1,889,681	-	1,814,111
Sidney	4,080,383	4,080,383	-	4,030,675
Total local assessments	22,513,595	22,513,596	1	22,075,794
Intergovernmental:				
State subsidy	14,083,303	14,090,856	7,553	13,227,202
State agency clients	300,000	432,540	132,540	440,377
Total intergovernmental	14,383,303	14,523,396	140,093	13,667,579
Charges for services:				
Tuitions - other	28,000	34,128	6,128	53,647
Rentals	18,000	18,784	784	18,069
Educational services	51,600	51,367	(233)	4,000
Transportation	10,000	24,765	14,765	20,230
Total charges for services	107,600	129,044	21,444	95,946
Interest earned	5,000	56,051	51,051	11,437
Other revenues:				
Sale of assets	500	7,425	6,925	4,379
Refunds	2,500	3,788	1,288	6,198
QZAB interest refund	61,892	50,954	(10,938)	55,806
Miscellaneous revenue	6,000	60,739	54,739	12,508
Total other revenues	70,892	122,906	52,014	78,891
Total revenues	37,080,390	37,344,993	264,603	35,929,647
Expenditures:				
Current:				
Regular instruction	16,425,479	15,859,051	566,428	15,946,076
Special education instruction	4,998,868	5,076,129	(77,261)	4,514,080
Career and technical education	6,000	-	6,000	498,226
Other instruction	748,365	727,261	21,104	688,775
Student and staff support	4,278,838	4,182,093	96,745	3,955,835
System administration	884,765	931,100	(46,335)	1,028,285
School administration	1,929,515	1,956,569	(27,054)	1,921,171
Transportation	2,358,488	2,381,879	(23,391)	2,134,250
Facilities and maintenance	4,975,197	4,940,601	34,596	3,550,147
Debt service	849,875	858,393	(8,518)	1,010,505
Total expenditures	37,455,390	36,913,076	542,314	35,247,350

**REGIONAL SCHOOL UNIT NO. 18**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget and Actual-Budgetary Basis, Continued**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Excess (deficiency) of revenues over (under) expenditures	\$ (375,000)	431,917	806,917	682,297
Other financing sources (uses):				
Use of fund balance	500,000	-	(500,000)	-
Transfers to other funds	(125,000)	(325,000)	(200,000)	(300,000)
Total other financing sources (uses)	375,000	(325,000)	(700,000)	(300,000)
Reconcile to GAAP basis reporting:				
Change in assigned fund balance	-	365	365	19,826
Net change in fund balance	-	107,282	107,282	402,123
Fund balance, beginning of year		1,672,450		1,270,327
<b>Fund balance, end of year</b>	<b>\$</b>	<b>1,779,732</b>		<b>1,672,450</b>

## **NONMAJOR GOVERNMENTAL FUNDS**

**State and Federal Special Revenues** – This fund is used to account for all federal, state, and local grants received and spent by the School Unit.

**Adult Education Fund** – This fund accounts for the state subsidy and local allocation used to fund the adult education program, as well as revenues derived from fees and tuition and expenditures related to running the program.

**Permanent Funds** – This fund is used to account for the scholarship funds, including restricted principal and earnings.

**REGIONAL SCHOOL UNIT NO. 18**  
**Combining Balance Sheet**  
**All Other Governmental Funds**  
**June 30, 2019**

	<u>Special Revenue Funds</u>			Total Other Governmental Funds
	State and Federal Special Revenues	Adult Education Fund	Permanent Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	-	92,662	92,662
Investments	-	-	205,462	205,462
Due from other governments	198,267	-	-	198,267
Interfund loans receivable	-	30,344	717,107	747,451
<b>Total assets</b>	<b>\$ 198,267</b>	<b>30,344</b>	<b>1,015,231</b>	<b>1,243,842</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	45	-	45
Accrued wages and benefits	182	-	-	182
Interfund loans payable	128,241	-	-	128,241
<b>Total liabilities</b>	<b>128,423</b>	<b>45</b>	<b>-</b>	<b>128,468</b>
Fund balances:				
Nonspendable:				
Permanent fund principal	-	-	411,873	411,873
Restricted:				
School grants	70,286	-	-	70,286
Permanent fund earnings	-	-	603,758	603,758
Committed	1,213	30,299	-	31,512
Unassigned	(1,655)	-	(400)	(2,055)
<b>Total fund balances</b>	<b>69,844</b>	<b>30,299</b>	<b>1,015,231</b>	<b>1,115,374</b>
<b>Total liabilities and fund balances</b>	<b>\$ 198,267</b>	<b>30,344</b>	<b>1,015,231</b>	<b>1,243,842</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**All Other Governmental Funds**  
**For year ended June 30, 2019**

	<u>Special Revenue Funds</u>			Total Other Governmental Funds
	State and Federal Special Revenues (Schedule 1)	Adult Education Fund	Permanent Funds (Schedule 2)	
Revenues:				
Local assessment	\$ -	21,705	-	21,705
Intergovernmental	1,774,750	16,824	-	1,791,574
Charges for services	-	9,532	-	9,532
Donations	-	-	75,435	75,435
Investment income	-	-	22,912	22,912
Other revenue	50,197	-	-	50,197
Total revenues	1,824,947	48,061	98,347	1,971,355
Expenditures:				
Current:				
Adult education	-	58,518	-	58,518
Other program expenditures	1,829,440	-	27,327	1,856,767
Total expenditures	1,829,440	58,518	27,327	1,915,285
Net change in fund balances	(4,493)	(10,457)	71,020	56,070
Fund balances, beginning of year	74,337	40,756	944,211	1,059,304
<b>Fund balances, end of year</b>	<b>\$ 69,844</b>	<b>30,299</b>	<b>1,015,231</b>	<b>1,115,374</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Fiduciary Funds - Agency Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2019**

	Messalonskee High School Activity Funds (Schedule 3)	Messalonskee High School Athletics Funds (Schedule 4)	Messalonskee Middle School Activity Funds (Schedule 5)	Belgrade Central School Activity Funds (Schedule 6)	James H. Bean School Activity Funds (Schedule 7)	Atwood Tapley School Activity Funds (Schedule 8)	Williams Elementary Activity Funds (Schedule 9)	Total all Other (below)	Totals
<b>ASSETS</b>									
Cash and cash equivalents	\$ 110,863	36,604	21,661	34,439	14,363	18,630	23,153	38,687	298,400
Interfund loans receivable	51,966	32,576	12,640	-	-	-	-	34,478	131,660
<b>Total assets</b>	<b>162,829</b>	<b>69,180</b>	<b>34,301</b>	<b>34,439</b>	<b>14,363</b>	<b>18,630</b>	<b>23,153</b>	<b>73,165</b>	<b>430,060</b>
<b>LIABILITIES</b>									
Interfund loans payable	-	-	-	-	-	-	-	8,456	8,456
Amounts held for others	162,829	69,180	34,301	34,439	14,363	18,630	23,153	64,709	421,604
<b>Total liabilities</b>	<b>\$ 162,829</b>	<b>69,180</b>	<b>34,301</b>	<b>34,439</b>	<b>14,363</b>	<b>18,630</b>	<b>23,153</b>	<b>73,165</b>	<b>430,060</b>

	China Primary Activity Funds (Schedule 10)	China Middle School Activity Funds (Schedule 11)	Central Maine Inclusive Schools	Kennebec Valley Superintendents Association	Kennebec Consortium	Medical Reimbursements	Other Agency	MCCL Cohort	RISC	Total all Other
<b>ASSETS</b>										
Cash and cash equivalents	\$ 20,977	17,710	-	-	-	-	-	-	-	38,687
Interfund loans receivable	-	-	16,781	2,318	1,729	-	-	13,650	-	34,478
<b>Total assets</b>	<b>20,977</b>	<b>17,710</b>	<b>16,781</b>	<b>2,318</b>	<b>1,729</b>	<b>-</b>	<b>-</b>	<b>13,650</b>	<b>-</b>	<b>73,165</b>
<b>LIABILITIES</b>										
Interfund loans payable	-	-	-	-	-	5,557	2,008	-	891	8,456
Amounts held for others	20,977	17,710	16,781	2,318	1,729	(5,557)	(2,008)	13,650	(891)	64,709
<b>Total liabilities</b>	<b>\$ 20,977</b>	<b>17,710</b>	<b>16,781</b>	<b>2,318</b>	<b>1,729</b>	<b>-</b>	<b>-</b>	<b>13,650</b>	<b>-</b>	<b>73,165</b>

## **SCHEDULES**

**REGIONAL SCHOOL UNIT NO. 18**  
**Special Revenue Funds-State and Federal**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For year ended June 30, 2019**

		Fund balances (deficits) beginning of year	Revenues		Program expenditures	Fund balances (deficits) end of year
			Federal funds	State and Other revenues		
Federal funds:						
2470	Local Entitlement	(5,379)	793,565	-	788,186	-
2510	Local Entitlement - Preschool Program	-	12,556	-	12,556	-
2990	Title 1A Program Improvement	-	5,620	-	5,620	-
2990	Title IA	(1,300)	726,983	-	725,036	647
2990	Title IIA - Supporting Effective Instruction	-	151,689	-	151,689	-
2990	Title V	-	84,337	-	84,337	-
4080	Regional Trails Program	1,074	-	-	1,074	-
Total federal funds		(5,605)	1,774,750	-	1,768,498	647
Other programs:						
2040	Melmac	(174)	-	788	788	(174)
2050	Robotics donation	64	-	-	-	64
2081	Local grants	11,767	-	15,196	21,745	5,218
2100	Customized Learning	25,557	-	3,716	3,274	25,999
2170	Oak Grove grant	1,247	-	-	-	1,247
2232	Proficiency based grant	31,963	-	-	-	31,963
2233	Educator effectiveness grant	1,554	-	-	-	1,554
2238	Momentum grant	(1,533)	-	29,423	29,371	(1,481)
2250	Dental	730	-	-	-	730
2460	Medicaid reimbursements	6,487	-	-	5,274	1,213
2830	Wellness program	918	-	-	490	428
2840	Messalonskee trails	209	-	1,074	-	1,283
9030	Anti-bullying program	1,153	-	-	-	1,153
Total other programs		79,942	-	50,197	60,942	69,197
<b>Total</b>		<b>\$ 74,337</b>	<b>1,774,750</b>	<b>50,197</b>	<b>1,829,440</b>	<b>69,844</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Permanent Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For year ended June 30, 2019**

	Beginning of year		Revenues				Program expenditures	Fund balances end of year	End of year	
	Fund balances		Interest	Change in market value	Donations	Fund balances end of year			Fund balances	
	Nonspendable principal	Restricted Earnings							Nonspendable principal	Restricted Earnings
<b>Permanent Funds:</b>										
Benjamin	\$ 13,000	26,059	190	-	-	-	39,249	13,000	26,249	
Bucholz, Henry and Elizabeth	41,929	-	176	-	-	-	42,105	42,105	-	
Gowell Fund	700	1,497	11	-	-	-	2,208	700	1,508	
Hollingsworth	220,655	153,706	1,048	9,673	42,555	4,500	423,137	220,655	202,482	
Jucius, Donna - Memorial	10,000	812	53	-	-	-	10,865	10,000	865	
Kappler, Charles - Stock	50,000	288	-	8,625	-	-	58,913	50,000	8,913	
Luce, Donald F.	10,000	1,630	57	-	-	500	11,187	10,000	1,187	
Messalonskee Fish and Game	8,750	-	43	-	-	-	8,793	8,793	-	
Messalonskee High School Ice Hockey	27,251	12,480	103	1,162	-	-	40,996	27,251	13,745	
Newcombe	2,736	489	17	-	-	250	2,992	2,736	256	
Sidney Lion Club	8,500	6,859	75	-	-	500	14,934	8,500	6,434	
Spooner, Eunice	10,000	3,950	59	-	-	-	14,009	10,000	4,009	
Therriaault, Susan - Memorial Scholarship	2,708	208	15	-	-	-	2,931	2,708	223	
Williams, EP	425	864	6	-	-	-	1,295	425	870	
Zinckgraf, Lori - Scholarship	5,000	1,099	29	-	-	6,099	29	5,000	(4,971)	
<b>Other Funds:*</b>										
Adult Education Scholarship	-	2,356	11	-	-	-	2,367	-	2,367	
Albanese, J. Duke	-	7,089	35	-	-	-	7,124	-	7,124	
Buchsbaum, Margo	-	102	1	-	500	500	103	-	103	
Charette Scholarship	-	4	-	-	-	-	4	-	4	
Easler Scholarship	-	1,000	5	-	-	200	805	-	805	
Folsom, Phebe R. - Memorial School	-	1,032	5	-	-	-	1,037	-	1,037	
Fowle, Robert Trust	-	148,159	722	-	-	500	148,381	-	148,381	
Gallagher	-	10,229	50	-	-	-	10,279	-	10,279	
General Trusts	-	6	-	-	-	-	6	-	6	
George Kohl Scholarship	-	3,323	14	-	610	3,000	947	-	947	
Jancovic, Brian - Memorial School	-	8,739	46	-	-	-	8,785	-	8,785	
Hallowell Memorial Scholarship	-	1,168	5	-	500	500	1,173	-	1,173	
Kappler, Charles - Trust	-	31,063	177	-	1,850	1,216	31,874	-	31,874	
KMD DR	-	(400)	-	-	-	-	(400)	-	(400)	
Leigh Scholarship	-	15,338	78	-	-	1,000	14,416	-	14,416	
Maine Community Foundation	-	4,270	-	-	2,420	4,270	2,420	-	2,420	
Marston, B.	-	7,200	39	-	-	1,000	6,239	-	6,239	
Melmac	-	2,000	-	-	2,000	2,000	2,000	-	2,000	
Messalonskee Players	-	5,332	24	-	-	500	4,856	-	4,856	
MHS Outstanding Leadership	-	124	1	-	-	-	125	-	125	
Morin, Joe - Scholarship	-	1,828	9	-	-	-	1,837	-	1,837	
Needham Memorial Fund	-	239	1	-	-	-	240	-	240	
Pelletier, Pam - School FD	-	2	-	-	-	-	2	-	2	
Sappi-pass through	-	1,000	-	-	-	500	500	-	500	
St. Pierre, Ron - Memorial School	-	595	4	-	-	-	599	-	599	
Tillson, Anson	-	70,818	343	-	-	292	70,869	-	70,869	
China educational enrichment fund	-	-	-	-	25,000	-	25,000	-	25,000	
<b>Total</b>	<b>\$ 411,654</b>	<b>532,557</b>	<b>3,452</b>	<b>19,460</b>	<b>75,435</b>	<b>27,327</b>	<b>1,015,231</b>	<b>411,873</b>	<b>603,358</b>	

\* The School Unit has chosen to record all scholarship funds as permanent funds, regardless of whether or not they have a permanent, nonspendable principal balance.

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Messalonskee High School Activities**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Adaptive PE Equipment Grant	\$ -	680	680	-
Agriculture Club	3,728	1,113	1,709	3,132
A.P. testing	3,255	14,022	12,685	4,592
Art	52	-	-	52
Art display frames grant	-	500	500	-
Atlantic Salmon Aquarium Grant	-	960	955	5
Auto registration	2,710	1,395	1,041	3,064
Band MHS	2,852	6,843	5,820	3,875
Band MMS	1,491	503	801	1,193
Band rental	3,598	385	1,553	2,430
Band WES	442	-	442	-
Chess club	76	-	66	10
Chorus	719	4,712	4,938	493
Chorus travel	203	2,475	1,890	788
Civil rights	117	-	-	117
Class of 2006	167	-	-	167
Class of 2010	115	-	-	115
Class of 2011	4,016	-	-	4,016
Class of 2013	1,368	-	-	1,368
Class of 2014	5,111	-	3,000	2,111
Class of 2015	7,066	-	-	7,066
Class of 2018	1,288	-	189	1,099
Class of 2019	28,375	11,049	32,459	6,965
Class of 2020	5,795	18,608	900	23,503
Class of 2021	2,608	4,918	1,697	5,829
Class of 2022	1,695	5,944	3,464	4,175
Community service	220	-	-	220
Drama	4,640	7,207	7,961	3,886
Drama boosters	1,593	247	412	1,428
Drug free grant	1,500	1,500	1,487	1,513
Ear buds	170	80	40	210
Empty bowls	520	3,647	3,717	450
Fast break café	728	9,288	8,235	1,781
Food bank	2,528	3,061	472	5,117
Interest	124	470	169	425
JMG	2,817	690	1,556	1,951
Key club	1,637	576	618	1,595

*continued*

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Messalonskee High School Activities**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances, Continued**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Gay straight alliance	\$ 79	334	200	213
Girl up	39	-	-	39
Gold ribbon group	356	734	-	1,090
Healthy northern Kennebec grant	378	-	212	166
Herb Projects grant	-	400	400	-
Hermit Grant	-	415	415	-
High interest/Low level books grant	-	400	400	-
HNK seminar courses	1,600	-	-	1,600
Homeless	520	750	1,028	242
Laptop insurance	-	10,113	9,578	535
Let's go grant	502	545	500	547
Library	1,187	1,041	978	1,250
Library fair grant	6	-	-	6
ME AG classroom grant	40	-	40	-
MELMAC grant 2017-2018	4,963	-	4,963	-
Miscellaneous	3,242	1,869	1,857	3,254
National honor society	865	1,103	1,363	605
Oak grove grants	-	4,385	4,322	63
Onion foundation grant	-	500	500	-
Outing Club	-	1,732	1,729	3
PAC curtain	-	1,500	1,500	-
Peoples interest	323	691	39	975
Photography club	27	-	10	17
PSAT	2,477	30	-	2,507
Quebec exchange	374	-	105	269
Recording studio	14	-	14	-
Ripple dipple	1,679	548	2,227	-
Robotics team	33,557	21,928	19,101	36,384
Rochwind-Wagner foundation grant	2,500	4,000	3,500	3,000
Service learning project	25	-	-	25
Social studies	60	-	-	60
Space exploration Grant	-	460	360	100
Spanish materials Grant	-	500	500	-
Student council	591	1,167	1,258	500
Student activity fund	596	794	565	825
Student assistance fund	1,650	776	426	2,000
Tech ed	13	175	19	169
Tech Trades router table grant	-	500	500	-
Tri M	140	215	325	30
Vending	241	327	296	272
Year end studies	3,436	1,605	4,420	621
Yearbook	8,349	15,397	13,025	10,721
3d Printer Grant	-	957	957	-
<b>Total</b>	<b>\$ 163,153</b>	<b>176,764</b>	<b>177,088</b>	<b>162,829</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Messalonskee High School Athletics**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance			Balance
	June 30, 2018	Receipts	Disbursements	June 30, 2019
Baseball players	\$ 486	4,439	4,925	-
Baseball summer	1,200	1,040	2,236	4
Basketball - boys	7,254	266	6,280	1,240
Basketball players - boys	1,398	4,222	5,325	295
Basketball - boys summer	6,075	7,825	10,497	3,403
Boys lacrosse	233	-	200	33
Boys lacrosse players	16	7,574	6,020	1,570
Boys lacrosse summer	2,273	2,050	3,288	1,035
Boys soccer players	1,069	3,178	2,748	1,499
Boys soccer summer	701	800	848	653
Boys tennis players	2	476	473	5
Coulombe memorial	95	-	-	95
Cross country	6	-	-	6
Cross country players	23	521	543	1
Eagle cup	1,236	-	-	1,236
Fall cheerleaders	3,680	-	727	2,953
Football	7,230	7,736	12,731	2,235
Football players	1,693	6,172	5,379	2,486
Girls basketball	8,226	266	7,279	1,213
Girls basketball players	678	2,294	2,969	3
Girls basketball summer	3,271	3,700	2,897	4,074
Girls lacrosse	4	-	-	4
Girls lacrosse players	502	3,591	3,093	1,000
Girls soccer players	107	72	90	89
Girls tennis	25	-	-	25
Girls tennis players	12	592	478	126
Golf players	229	2,137	2,087	279
Hanna memorial	3,855	-	-	3,855
Ice hockey	2,228	-	1,615	613
Ice hockey players	257	4,878	4,780	355
Indoor track	82	3,258	3,330	10
Interest	290	822	355	757
Lofstrom memorial	90	-	-	90
MASB concessions	13,077	22,324	20,236	15,165
Messalonskee all sports boosters	4,250	15,774	14,729	5,295
Middle school baseball	234	206	425	15
Middle school swim	814	560	891	483
Miscellaneous	69	351	336	84
Sarausky memorial	55	-	-	55
Serson memorial	104	-	-	104
Soccer summer	613	576	1,091	98
Softball players	1,294	39	140	1,193
Softball summer	9	-	-	9
Summer league stix	214	4,458	4,545	127
Swim players	1,350	3,732	3,650	1,432
Ticket sales	-	25,470	17,200	8,270
Track and field	39	-	-	39
Track complex	20	3,860	1,002	2,878
Track players	914	2,143	2,701	356
Volleyball club	-	6,746	5,417	1,329
Winter cheerleaders	523	2,356	1,873	1,006
<b>Total</b>	<b>\$ 78,105</b>	<b>156,504</b>	<b>165,429</b>	<b>69,180</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Messalonskee Middle School Activities**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance June 30, 2018	Receipts	Disbursements	Balance June 30, 2019
8th grade account	\$ 78	-	-	78
Action for healthy kids	171	-	-	171
Band	1,747	475	1,048	1,174
Band camp	766	560	-	1,326
Bicycle coalition grant	3	-	-	3
Book fair	7	2,208	2,197	18
Boxtops	-	1	-	1
Boys lacrosse	1,024	1,491	2,439	76
Chorus	15	-	-	15
Christmas magic	397	-	-	397
Civil rights	776	1,363	330	1,809
Class of 2022	1,370	-	1,370	-
Class of 2023	250	-	-	250
Class of 2024	862	-	-	862
Class of 2025	-	602	-	602
CTG MMS guidance grant	-	-	-	-
Damon - ticket to ride	72	-	-	72
Dress down day	213	453	154	512
Drink machines	415	111	146	380
Drug free general	1,135	1,500	1,463	1,172
Fishing club	-	250	233	17
Foreign language	78	100	141	37
Garden mini grant	-	710	710	-
Gay straight alliance	66	110	-	176
Gen youth guidance grant	71	1,650	465	1,256
General	1,561	4,379	2,412	3,528
Girls lacrosse	229	1,034	770	493
Green team	40	-	-	40
Gr Leigh Scholarship	-	600	-	600
Guidance	196	63	60	199
Healthy northern Kennebec grant	193	-	-	193
Inland grant	730	500	657	573
Interest	206	270	245	231
Laptop	-	8,446	8,365	81
Library	571	731	559	743
Magazines	893	5,713	5,906	700
Maine AG in the classroom	1,995	-	1,305	690
Maine autism leadership team	194	-	-	194
Natural resources council Maine	-	500	492	8
OT enterprise group	183	1,316	1,479	20
Outing club	165	123	199	89
Soccer grant	41	-	-	41
Student leadership	999	32	-	1,031
Student needs	784	300	-	1,084
Summer school	363	-	-	363
Target Grant	-	700	700	-
Team Atlantic	897	681	167	1,411
Team Boothbay	1,829	66	825	1,070
Team Dirigo	-	2,186	1,269	917
Team Evergreen	3,062	3,079	3,679	2,462
Team Highlands	1,494	385	591	1,288
Team Katahdin	499	3,505	2,307	1,697
Team Kennebec	577	2,107	1,617	1,067
Team Pemaquid	1,445	-	-	1,445
Ticket to ride grant	-	500	-	500
Yearbook	659	3,317	2,837	1,139
<b>Total</b>	<b>\$ 29,321</b>	<b>52,117</b>	<b>47,137</b>	<b>34,301</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Belgrade Central School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance			Balance
	June 30, 2018	Receipts	Disbursements	June 30, 2019
Birthday book club	\$ 701	589	730	560
Children's theater grant	5,050	5,801	3,927	6,924
Computer fund	551	-	-	551
Cross country skiing	20	-	-	20
Damon Alexander fund	150	-	30	120
Ecology club fund	1,339	-	-	1,339
Enrichment fund	9,262	5,466	5,239	9,489
Family assistance fund	-	1,800	379	1,421
Gabriel Stocco Fund	-	4,745	1,470	3,275
General fund	561	2,837	3,186	212
Grant action for healthy kids	59	-	-	59
Guptil fund	1,136	-	-	1,136
Historical fund	24	-	-	24
Interest	22	152	-	174
Jeans fund	3,803	-	628	3,175
Let's go grant	500	500	-	1,000
Library	705	825	1,009	521
Music fund	46	160	188	18
Principal fund	1,560	2,099	535	3,124
Running club	44	2,314	2,177	181
Student council	427	-	427	-
Summer school	5,835	11,025	16,860	-
Sunshine fund	443	683	540	586
Target field trip grant	13	-	-	13
Ticket to ride grant	517	-	-	517
<b>Total</b>	<b>\$ 32,768</b>	<b>38,996</b>	<b>37,325</b>	<b>34,439</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**James H. Bean School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
5th grade committee	\$ (48)	60	12	-
Birthday book club	1,449	753	233	1,969
Box tops for education	2,049	1,716	1,027	2,738
Friends of the library	106	1,190	1,102	194
Fundraiser	640	14,131	8,722	6,049
Grant for art	831	-	585	246
Guidance	1,044	500	255	1,289
Interest earned	15	45	-	60
Jeans fund	455	1,273	1,500	228
Literacy books account	114	-	114	-
Lost books account	592	43	11	624
Music	233	-	50	183
Physical education	59	500	-	559
School account	512	1,485	1,979	18
Social committee	377	490	661	206
Community support	-	1,141	1,141	-
<b>Total</b>	<b>\$ 8,428</b>	<b>23,327</b>	<b>17,392</b>	<b>14,363</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Atwood Tapley School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Atwood technology	\$ 35	-	-	35
Box tops	256	539	93	702
Dollar general grant	98	-	-	98
Donations	4,128	1,759	1,793	4,094
Donated bottles	2	-	-	2
Family foundation	50	-	-	50
Hannaford helps	496	84	-	580
Holiday fund	383	100	-	483
Instruction	88	-	-	88
Interest checking	47	63	-	110
Interest savings	19	-	-	19
Jeans	548	20	-	568
Kingdon family fund	1,220	-	456	764
Library	272	116	96	292
Maine agriculture in classroom	390	300	75	615
Nutrition	1,702	-	-	1,702
Square 1 art	7,923	980	2,171	6,732
School account	961	10,496	9,761	1,696
<b>Total</b>	<b>\$ 18,618</b>	<b>14,457</b>	<b>14,445</b>	<b>18,630</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**Williams Elementary School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Alternative education	\$ 720	-	-	720
Art	1,586	-	1,586	-
Box tops for education	3,581	-	274	3,307
Civil rights	25	-	-	25
Garden grant	250	-	250	-
General fund	9,940	5,446	11,103	4,283
Grade 3	415	-	-	415
Grade 4	884	-	76	808
Grade 5	1,976	-	-	1,976
Hannaford helps	837	111	210	738
Ink cartridges	728	-	-	728
Inland hospital grant	1,252	710	711	1,251
Interest checking	92	93	-	185
Interest savings	112	-	-	112
Library/lost book fund	716	23	-	739
Maine Ag in the classroom	-	2,701	1,671	1,030
Nurse	23	-	-	23
Odyssey of the mind	70	3,852	3,103	819
Pencils	1,238	-	-	1,238
Picture	2,917	346	-	3,263
Postage	135	-	-	135
Target Grant	-	700	300	400
Ticket to ride grant	958	500	500	958
<b>Total</b>	<b>\$ 28,455</b>	<b>14,482</b>	<b>19,784</b>	<b>23,153</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**China Primary School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

		Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Action for healthy kids	\$	327	-	-	327
Book fair		1,860	6,674	6,695	1,839
CVS grant		152	-	-	152
Guidance		-	56	56	-
ME agriculture in the classroom grant		484	-	79	405
Jeans fund		217	94	153	158
Let's go grant		77	675	703	49
Library		250	-	-	250
Oakland United Baptist		16	-	-	16
Onion Foundation		-	700	700	-
Playground		575	-	-	575
Pre-K classroom		284	-	-	284
Principal		17,622	5,522	6,736	16,408
School pop.com		82	-	-	82
Target Field trip		-	700	529	171
Ticket to ride grant		100	200	200	100
UW community transformation		89	200	197	92
Watch dogs project		225	-	156	69
<b>Total</b>	<b>\$</b>	<b>22,360</b>	<b>14,821</b>	<b>16,204</b>	<b>20,977</b>

**REGIONAL SCHOOL UNIT NO. 18**  
**Agency Fund**  
**China Middle School**  
**Statement of Cash Receipts, Disbursements, and Changes in Balances**  
**For year ended June 30, 2019**

	Balance July 1, 2018	Receipts	Disbursements	Balance June 30, 2019
Athletics boosters	\$ 4,873	708	655	4,926
Book fair	516	12	-	528
Box tops	1,036	153	-	1,189
Community education	2,654	249	1,323	1,580
Current 8th grade	649	5,649	5,338	960
Hnk grant	-	1,000	1,000	-
Let's go grant	419	500	915	4
MLTI	-	3,960	3,960	-
Non-music project	4	-	-	4
Oak Grove Foundation Grant	-	2,500	278	2,222
Onion Foundation Grant	-	700	700	-
Principal	3,918	4,785	6,273	2,430
Reach	449	991	1,186	254
Student	341	820	899	262
Student council	3,043	1,808	3,327	1,524
Target field trips	465	700	733	432
Target Soccer Grant	-	1,000	1,000	-
Yearbook	1,328	1,020	953	1,395
<b>Total</b>	<b>\$ 19,695</b>	<b>26,555</b>	<b>28,540</b>	<b>17,710</b>