

***REGIONAL SCHOOL UNIT #50***

BASIC FINANCIAL STATEMENTS

JUNE 30, 2021 & 2020

(With Independent Auditors' Report Thereon)



TABLE OF CONTENTS

	PAGE
<b>FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report on Financial Statements	1-2
Management Discussion and Analysis	3-6
<i>Basic Financial Statements</i>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Position	7
Statement of Activities	8
<i>Fund Financial Statements</i>	
<i>Governmental Funds:</i>	
Balance Sheet - Governmental Funds	9
Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Agency Assets and Liabilities – Student Activity Fund	12
<i>Notes to Financial Statements</i>	13-29
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund – General Fund Budget and Actual (non-GAAP budgetary basis)	30
Schedule of School’s Proportionate Share of the Net Pension Liability	31
Schedule of School Contributions-Pensions	32
Schedule of School’s Proportionate Share of OPEB Liability	33
Schedule of School Contributions-OPEB	34
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
Combined Balance Sheets – All Special Revenue Funds	35
Schedule of Revenues, Expenditures and Changes in Fund Balance- All Special Revenue Funds	36
Schedule of Revenues, Expenditures and Changes in Fund Balances- Federal Programs	37
Schedule of Revenues, Expenditures and Changes in Fund Balances- State and Other Programs	38
Schedule of Revenues, Expenditures and Changes in Fund Balance- Lunch Program	39
Reconciliation of Financial Statements to MEDMS Form	40
Schedule of Transactions – Cash Basis – High School	41
Schedule of Transactions – Cash Basis – Elementary School	42
<b>ADDITIONAL REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS, UNIFORM GUIDANCE and THE MAINE STATE STATUTE REQUIREMENTS</b>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	43-44
Report on Compliance with Requirements Applicable to Each Major Program And Internal Control over Compliance Required by the Uniform Guidance	45-46
Schedule of Federal Award Expenditures	47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49
Independent Auditors’ Report on Compliance with Maine State Statute Requirements	50

INDEPENDENT AUDITORS' REPORT

To the Management of the  
Regional School Unit No. 50

**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 the Regional School Unit No. 50 as of and for the year ended June 30, 2021, which collectively comprise the School's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

**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 the 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 of 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 the Regional School Unit No. 50, as of June 30, 2021, and the respective changes in financial position 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, pension and other retirement benefit schedules and budgetary comparison information on pages 3 through 6 and pages 30 through 34 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 the Regional School Unit No. 50's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 29, 2021, on our consideration of the Regional School Unit No. 50'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. 50's internal control over financial reporting and compliance

Presque Isle, Maine  
December 29, 2021

# REGIONAL SCHOOL UNIT #50

## Management's Discussion & Analysis

(Unaudited)

As management of the Regional School Unit #50, we offer readers of the Regional School Unit #50's financial statements this narrative overview and analysis of the financial activities of the Regional School Unit #50 for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with the basic financial statements.

### FINANCIAL HIGHLIGHTS

- Total assets of the Regional School Unit #50 exceeded the School's liabilities by \$974,409, which represents the total net position of the District.
- The ending fund balance for all governmental funds (which includes the special revenue funds, student activities and the District's lunch program) was \$1,616,733. This is a \$482,611 increase from the prior year totals.
- The General Fund reports a fund balance of \$1,277,570 which represents 24% of annual general fund expenditures.

### USING THIS ANNUAL REPORT

The Regional School Unit #50's financial statements are comprised of a series of statements. The Statement of Net Position and the Statement of Activities provide an overview of the government as a whole and its activities. The Fund Financial Statements, which begin immediately after the Statement of Activities, provide a more detailed look at the governmental funds. Next are the notes to the financial statements, which provide information essential to a complete understanding of the data provided. Following the notes are the combining and individual fund schedules, including special revenues and non-major governmental funds.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present financial information in two statements -the Statement of Net Position and the Statement of Activities. These statements provide an overview of the government as a whole (similar to private-sector statements). All of the current year's revenues are taken into account regardless of when cash is received.

The Statement of Net Position provides a picture of the difference between assets and liabilities, which is called Net Position. The Statement of Activities provides a look at how the net position has changed from the prior year to the current year. Increases or decreases in net position can show whether the District is improving or deteriorating. In the statement of Net Position and the Statement of Activities, activities are classified as follows:

- Governmental Activities -Most of the District's basic services are reported here, including the instruction, operation of plant and transportation, intergovernmental revenue (primarily revenues from the State of Maine), and user fees finance most of these activities.

## FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts which is used to maintain control over resources which have been segregated for specific activities or objectives. The Regional School Unit #50, like other state and local governments, uses fund accounting to insure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories; governmental funds and fiduciary funds.

The Fund Financial Statements provide details of the District's most significant funds, not the District as a whole. These statements located in the fund financial statements and begin after the governmental fund financial statements. Some funds are required to be established by state law and by bond covenants. However, management establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- *Governmental funds* -Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end which are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets which can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

## THE DISTRICT AS A WHOLE -STATEMENT OF NET POSITION and STATEMENT OF ACTIVITIES

The following information is a condensed version of the Statement of Net Position with GASB-34 implementation. The analysis below focuses on the net position of the District's governmental activities.

	Governmental Activities		
	2021	2020	2019
Current and other assets	\$ 1,934,038	\$ 1,472,964	\$ 1,254,408
Capital assets	4,759,923	4,832,533	4,849,239
Total assets	<u>6,693,961</u>	<u>6,305,497</u>	<u>6,103,647</u>
Deferred outflows	<u>450,274</u>	<u>158,981</u>	<u>39,433</u>
Current liabilities	472,301	490,535	587,542
Long-term debt outstanding	4,949,870	5,838,351	5,962,105
Total liabilities	<u>5,422,171</u>	<u>6,328,886</u>	<u>6,549,647</u>
Deferred inflows	<u>747,655</u>	<u>270,299</u>	<u>176,519</u>
Net Position:			
Invested in Capital Assets, net of related debt	2,487,821	2,465,728	2,336,450
Unrestricted	(1,513,412)	(2,600,435)	(2,919,536)
Total net position	<u>\$ 974,409</u>	<u>\$ (134,707)</u>	<u>\$ (583,086)</u>

The following summarizes the changes in net position of the District's governmental activities:

	Governmental Activities		
	2021	2020	2019
<b>Revenue:</b>			
Property taxes	\$ 2,487,113	\$ 2,427,287	\$ 2,369,873
Federal / State assistance	2,699,289	2,534,968	2,317,659
Intergovernmental revenue - MSRS	387,966	345,520	325,744
Other revenues	164,779	135,209	177,591
Total revenues	<u>5,739,147</u>	<u>5,442,984</u>	<u>5,190,867</u>
<b>Expenses:</b>			
Instruction	2,474,382	2,525,610	2,534,511
Applied technology	5,406	2,021	-
Other instruction	129,106	116,693	160,400
Pension expense - MSRS on behalf payments	387,966	345,520	325,744
Nutrition	(28,899)	(55,406)	21,062
Student/staff support	451,001	471,772	455,962
Administration	352,490	572,170	608,905
Operation and maintenance of plant	1,186,065	735,037	690,905
Transportation	349,889	278,710	283,152
Total expenses	<u>5,307,406</u>	<u>4,992,127</u>	<u>5,080,641</u>
Change in net position	<u>\$ 431,741</u>	<u>\$ 450,857</u>	<u>\$ 110,226</u>

The Regional School Unit #50's net position for the governmental funds increased by \$431,742 during the fiscal year ended June 30, 2021.

The total cost of governmental activities was \$6,844,944. However, many programs are subsidized by user fees, grants and contributions. Therefore, the ultimate cost to the taxpayers was \$5,307,406 after taking into consideration the program revenues. See the Statement of Activities -for greater detail.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### GOVERNMENTAL FUNDS

As indicated in the Financial Highlights, the Regional School Unit #50's governmental funds reported a fund balance of \$1,616,733, which represents a \$482,603 increase. The general fund reports an unassigned fund balance of \$1,125,376. This unassigned amount (frequently referred to as the "District's surplus") represents a \$321,079 increase over the June 30, 2020 unassigned fund balance.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were under budget by \$19,812.

Actual expenditures were under budget by \$557,108 and there were no expenditure line items that were over budget.

After any transfers and utilization of prior year fund balance, if any, the change in fund balance was a \$103,738 increase.

The bottom line is a general fund balance that increased by \$93,077 and an unassigned fund balance which increased by \$187,296.

## **CAPITAL ASSETS**

Governmental activities capital assets net of depreciation totaled \$4,759,923 as of June 30, 2021, representing a \$72,610 decrease from the prior year end. See financial statement note 9 for further details.

The most significant capital asset acquisitions by the District in 2020/21 were a van and two school buses.

## **DEBT**

No new debt was issued during the fiscal year. See note 12 to the basic financial statements for further detailed information on the District's debt.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Superintendent, at 922 Dyer Brook Road, Dyer Brook, Maine 04747 / 207-757-8223 / fax 207-757-8257.

**REGIONAL SCHOOL UNIT #50**GOVERNMENT WIDE STATEMENTS OF NET POSITION  
JUNE 30, 2021 and 2020

	GOVERNMENTAL ACTIVITIES	
	2021	2020
Assets		
Cash	\$ 1,432,677	\$ 903,213
Due from other governments	334,394	429,405
Prepaid expenses	152,194	129,431
Inventory	14,773	10,915
<i>Non-current capital assets</i>		
Property, plant and equipment	9,273,912	8,950,019
Accumulated depreciation	(4,513,989)	(4,117,486)
Total assets	<u>6,693,961</u>	<u>6,305,497</u>
Deferred outflows of resources		
OPEB	412,300	134,566
Pensions	37,974	24,415
	<u>\$ 7,144,235</u>	<u>\$ 6,464,478</u>
Current liabilities		
Accounts payable	\$ -	\$ 11,800
Accrued expenses	21,648	844
Contracts payable	295,107	326,198
Current portion of capital lease	118,645	131,602
Accrued interest	36,901	20,091
<i>Non-current liabilities</i>		
Capital lease	2,116,556	2,235,203
Pension liability	282,510	228,735
OPEB liability	2,541,032	3,364,641
Compensated absences	9,772	9,772
Total liabilities	<u>5,422,171</u>	<u>6,328,886</u>
Deferred inflows of resources		
OPEB	580,998	85,511
Pensions	166,657	184,788
	<u>747,655</u>	<u>270,299</u>
Net Position		
Investment in capital assets, net of related debt	2,487,821	2,465,728
Unrestricted	(1,513,412)	(2,600,435)
Total net position	<u>974,409</u>	<u>(134,707)</u>
	<u>\$ 7,144,235</u>	<u>\$ 6,464,478</u>

**REGIONAL SCHOOL UNIT #50**

GOVERNMENT WIDE STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021  
(with summarized financial information for the year ended June 30, 2020)

Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2021  Net (Expense) Revenue	2020  Net (Expense) Revenue
Governmental activities						
Instruction	\$ (3,616,484)	\$ 1,125	\$ 1,140,977	\$ -	\$ (2,474,382)	\$ (2,525,610)
Applied technology	(5,406)	-	-	-	(5,406)	(2,021)
Other instruction	(134,865)	-	5,759	-	(129,106)	(116,693)
Pension expense - MSRS on behalf payments	(387,966)	-	-	-	(387,966)	(345,520)
Nutrition	(360,778)	3,129	386,548	-	28,899	55,406
Student / staff support	(451,001)	-	-	-	(451,001)	(471,772)
Administration	(352,490)	-	-	-	(352,490)	(572,170)
Operation and maintenance of plant	(1,186,065)	-	-	-	(1,186,065)	(735,037)
Transportation	(349,889)	-	-	-	(349,889)	(278,710)
Total expenses	<u>\$ (6,844,944)</u>	<u>\$ 4,254</u>	<u>\$ 1,533,284</u>	<u>\$ -</u>	<u>(5,307,406)</u>	<u>(4,992,127)</u>
			General revenues			
			Property taxes		2,487,114	2,427,287
			Federal and State assistance		2,699,289	2,534,968
			Intergovernmental revenue - MSRS		387,966	345,520
			Shared services		63,872	109,135
			Other revenues		100,907	26,074
			Total revenues		<u>5,739,148</u>	<u>5,442,984</u>
			Change in net position		431,742	450,857
			Net position - July 1		(134,707)	(583,086)
			Prior period adjustment		679,752	-
			Transfer to RSU 89		(2,378)	(2,478)
			Net position - June 30		<u>\$ 974,409</u>	<u>\$ (134,707)</u>

*See Independent Auditors' Report and  
Notes to Financial Statements*

**REGIONAL SCHOOL UNIT #50**

BALANCE SHEETS - ALL GOVERNMENTAL FUNDS

JUNE 30, 2021

(with summarized financial information for the year ended June 30, 2020)

	Major funds		Non-major funds		2021	2020
	General	Special Revenue	Student Activities	Lunch	Totals	Totals
<b>Assets:</b>						
Cash	\$ 1,274,176	\$ -	\$ 90,495	\$ 68,007	\$ 1,432,678	\$ 903,213
Due from other funds	96,752	102,328	-	50,492	249,572	169,455
Due from other governments	224,574	109,820	-	-	334,394	429,405
Prepaid expenditures	152,194	-	-	-	152,194	129,431
Inventory	-	-	-	14,773	14,773	10,915
	<u>\$ 1,747,696</u>	<u>\$ 212,148</u>	<u>\$ 90,495</u>	<u>\$ 133,272</u>	<u>\$ 2,183,611</u>	<u>\$ 1,642,419</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,800
Withholding payable	22,996	-	-	-	22,996	844
Due to other funds	152,820	96,752	-	-	249,572	169,455
Contracts payable	294,310	-	-	-	294,310	326,198
Total liabilities	<u>470,126</u>	<u>96,752</u>	<u>-</u>	<u>-</u>	<u>566,878</u>	<u>508,297</u>
<b>Fund Balance (Deficit):</b>						
Non-spendable						
Inventory	-	-	-	14,773	14,773	10,915
Prepays	152,194	-	-	-	152,194	129,433
Restricted fund balance						
Federal/state programs	-	115,396	-	-	115,396	109,709
Capital Reserve	-	-	-	-	-	4,350
Unrestricted fund balance						
Unassigned	1,125,376	-	90,495	118,499	1,334,370	879,715
Total fund balance	<u>1,277,570</u>	<u>115,396</u>	<u>90,495</u>	<u>133,272</u>	<u>1,616,733</u>	<u>1,134,122</u>
	<u>\$ 1,747,696</u>	<u>\$ 212,148</u>	<u>\$ 90,495</u>	<u>\$ 133,272</u>	<u>\$ 2,183,611</u>	<u>\$ 1,642,419</u>
Total fund equity as noted above:					\$ 1,616,733	\$ 1,134,122
Amounts reported for governmental activities in the statement are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation and related debt:					2,488,371	2,445,637
Compensated absences are treated as long-term debt in the Statement of Net Position and reduces the fund balance:					(9,772)	(9,772)
Some liabilities, including net pension and OPEB obligations, are not due and payable in the current periods and, therefore, are not reported in the funds:						
Net OPEB liability					(2,541,032)	(3,364,641)
Net pension liability					(282,510)	(228,735)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:						
Deferred inflows of resources related to OPEB					(580,998)	(85,511)
Deferred outflows of resources related to OPEB					412,300	134,566
Deferred outflows of resources related to pensions					37,974	24,415
Deferred inflows of resources related to pensions					(166,657)	(184,788)
Total net position of governmental activities:					<u>\$ 974,409</u>	<u>\$ (134,707)</u>

**REGIONAL SCHOOL UNIT #50**

COMBINED STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021  
(with summarized financial information for the year ended June 30, 2020)

	Major funds		Non-major funds		2021	2020
	General	Special Revenue	Student Activities	Lunch	Totals	Totals
<b>Revenues</b>						
Federal and State assistance	\$ 2,706,999	\$ 1,148,450	\$ -	\$ 363,810	\$ 4,219,259	\$ 3,305,804
Property taxes	2,487,114	8,251	-	25,000	2,520,365	2,427,287
Tuition	-	-	-	-	-	640
Mainecare	4,091	9,170	-	-	13,261	17,871
Shared services	30,621	-	-	-	30,621	109,135
Intergovernmental revenue - MSRS	387,966	-	-	-	387,966	345,520
Other revenues	46,712	-	52,929	3,183	102,824	72,172
<b>Total revenues</b>	<b>5,663,503</b>	<b>1,165,871</b>	<b>52,929</b>	<b>391,993</b>	<b>7,274,296</b>	<b>6,278,429</b>
<b>Expenditures</b>						
Instruction	2,575,641	410,865	-	-	2,986,506	2,883,739
Applied technology	5,406	-	-	-	5,406	2,021
Other	94,250	722,226	29,072	-	845,548	116,693
Pension expense - MSRS on behalf payments	387,966	-	-	-	387,966	345,520
Nutrition	-	-	-	345,055	345,055	297,702
Student / Staff support	451,001	24,715	-	-	475,716	471,772
Administration	585,474	-	-	-	585,474	572,170
Operation and maintenance of plant	953,951	-	-	-	953,951	1,014,287
Transportation	270,324	-	-	-	270,324	331,189
<b>Total expenditures</b>	<b>5,324,013</b>	<b>1,157,806</b>	<b>29,072</b>	<b>345,055</b>	<b>6,855,946</b>	<b>6,035,093</b>
<b>Net change in fund balance</b>	<b>339,490</b>	<b>8,065</b>	<b>23,857</b>	<b>46,938</b>	<b>418,350</b>	<b>243,336</b>
<b>Other items</b>						
Transfer to RSU 89	-	(2,378)	-	-	(2,378)	(2,478)
Prior period adjustment	-	-	66,638	-	66,638	-
<b>Fund balance (deficit) - July 1</b>	<b>938,080</b>	<b>109,709</b>	<b>-</b>	<b>86,334</b>	<b>1,134,130</b>	<b>893,272</b>
<b>Fund balance (deficit) - June 30</b>	<b>\$ 1,277,570</b>	<b>\$ 115,396</b>	<b>\$ 90,495</b>	<b>\$ 133,272</b>	<b>\$ 1,616,733</b>	<b>\$ 1,134,130</b>

**REGIONAL SCHOOL UNIT #50**

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net changes in fund balances - all governmental funds	\$ 418,350	\$ 243,336
Amounts reported for governmental activities in the Statement of Activities are different because:		
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	131,604	188,168
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded.	323,893	284,418
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense	(22,085)	63,087
Governmental funds report district OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as an OPEB expense	(6,707)	(23,629)
Compensated absences are not accrued in the governmental funds, but are accrued for the government-wide statement of net position. The change in compensated absences from prior year totals	-	9,564
Accrued interest on capital lease obligations	(16,810)	29,221
Depreciation expense	(396,503)	(343,308)
Change in net position of governmental activities	<u>\$ 431,742</u>	<u>\$ 450,857</u>

**REGIONAL SCHOOL UNIT #50**

STATEMENT OF NET POSITION - STUDENT ACTIVITY FUND  
JUNE 30, 2021 and 2020

			<b>2021</b>	<b>2020</b>
	High School Activities	Elementary Activities	Custodial Fund Total	Custodial Fund Total
Assets				
Cash	\$ 61,639	\$ 28,856	\$ 90,495	\$ 66,638
	<u>\$ 61,639</u>	<u>\$ 28,856</u>	<u>\$ 90,495</u>	<u>\$ 66,638</u>
Liabilities				
Due to student groups	\$ 61,639	\$ 28,856	\$ 90,495	\$ 66,638
	<u>\$ 61,639</u>	<u>\$ 28,856</u>	<u>\$ 90,495</u>	<u>\$ 66,638</u>

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
STUDENT ACTIVITY FUND  
JUNE 30, 2021 & 2020

	<b>2021</b>	<b>2020</b>
Revenues:		
Student activity receipts	\$ 52,929	\$ 104,534
Expenditures		
Student activity disbursements	<u>29,072</u>	<u>71,365</u>
Excess (deficit) of revenues over expenditures	23,857	33,169
Fund balance (deficit) - July 1	<u>66,638</u>	<u>33,469</u>
Fund balance (deficit) - June 30	<u>90,495</u>	<u>66,638</u>

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The financial statements of the District consist of all funds of the District and government entities that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no entities that are controlled or dependent on the District.

Government-wide and Fund financial statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District (the primary government) and its component units. For the most part, the effect of inter-fund activity has been removed from these financial statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate statements are provided for government funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Measurement Focus / Basis of Accounting / Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, a fiduciary fund type, have no measurement focus. Revenues, except for property taxes, are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due and certain compensated absences and claims and judgments are recognized when the obligations are due and payable.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The revenues susceptible to accrual are property taxes and state assistance. All other governmental fund revenues are recognized when received and are recognized as revenue at that time.

The District reports the following major governmental funds:

The *general fund* is the District's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Special revenue fund* accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Federal Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Additionally, the District reports the following fund type(s):

*Lunch program* is used to account for resources restricted to, or designated for, the District's lunch program. State subsidies and fees collected from lunch sales along with food purchases and labor and other costs, such as materials and supplies, are accounted for in the fund.

*Student Activities* are used to account for funds collected and spent for student groups.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's proprietary fund (if applicable) and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, 2) operating or capital grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Budgets

An operating budget is adopted each year for the general fund on the same modified accrual basis used to reflect actual revenues and expenditures. Special revenue funds do not have legally adopted budgets, but administratively approved project budgets.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. government, its agencies and instrumentalities, and other state and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements.

Interfund Receivables and Payables

Activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost if actual historical is not available. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Repairs and maintenance are recorded as expenses.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives. Estimated useful lives are as follows:

Buildings	60 years
Building improvements	15 years
Vehicles and equipment	5-10 years

Inventories

The lunch program inventories are stated at net realizable value.

Compensated Absences

The District has varying policies with regard to accruing sick leave, severance and vacation days. Upon reaching retirement age and ten years of service, an employee is paid the full amount of accumulated vacation days not taken, up to 30 days. The District's estimated financial liability for severance payments at June 30, 2021 and 2020 is \$9,772 and \$9,772, respectively.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prepaid items

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. *Non-spendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District Board of Directors (the district's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense. Actual results could differ from these estimates.

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 Fund (MePERS) and additions to/deductions from MePERS's fiduciary net position have been determined on the same basis as they are reported by MePERS. 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.

2. COMMITMENTS AND CONTINGENCIES

Grant programs

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

3. PENSION PLAN

Description

The State Employee and Teacher (SET) Plan is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2020 there were 237 employers, including the State of Maine, participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

The Legislative Retirement Plan was established to provide a retirement program for those serving in the Maine Legislature. Except as provided otherwise by statute, membership in the Maine Legislative Retirement Plan is mandatory for legislators entering service on or after December 3, 1986.

Pension Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers, judges and legislative members is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

3. PENSION PLAN (cont'd)

Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or Board rule and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

Actuarial Methods and Assumptions

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2020 using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

*Asset Valuation Method*

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

*Amortization*

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements.

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of twenty years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2020 are as follows:

3. PENSION PLAN (cont'd)

*Investment Rate of Return* - For the State Employee and Teacher Plan, 6.75% per annum for the year ended June 30, 2020, compounded annually.

*Salary Increases, Merit and Inflation* - State employees, 2.75% to 8.75% per year; Teachers, 2.75% to 14.50% per year; members of the consolidated plan for PLDs, 2.75% to 9.00% per year.

*Mortality Rates* - For active State employee members and non-disabled retirees of the State employee plan, participating local districts, legislative and judicial plans, the RP2000 Tables projected forward to 2016 using Scale AA are used; for active members and non-disabled retirees of the teachers' plan, the ages are set back two years; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

*Cost of Living Benefit Increases* - 2.20% per annum for State employees and teachers, and 1.91% for participating local districts.

Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2020 are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return %
Public Equities	6.0
US Government	2.3
Private Equity	7.6
Real Assets:	
Real estate	5.2
Infrastructure	5.3
Natural resources	5.0
Traditional credit	3.0
Alternative credit	4.2
Diversifiers	5.9

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. PENSION PLAN (cont'd)

Changes in Net Pension Liability

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2020 with the following exceptions.

Sensitivity of the District's Proportionate Share of the Net Pension Liability

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Proportionate share of the Net pension liability	\$489,956	\$282,510	\$109,609

*Differences between Expected and Actual Experience* - The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2020, this was 3 years for the State Employee and Teacher Plan, and 4 years for the PLD Consolidated Plan.

*Differences between Projected and Actual Investment Earnings* - Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

*Changes in Assumptions* - Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. There were no changes in assumptions for the PLD Consolidated Plan. For the State Employee and Teacher Plan, the change in the discount rate from 7.25% to 6.75% was the only change in assumption in the 2020 valuation.

*Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions* - Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense in the measurement periods as follows:

2021: \$(69,614), 2022: \$7,812, 2023: \$10,398, 2024: \$10,289

Additional Financial and Actuarial Information

Additional financial and actuarial information with respect to the Plans can be found in the MainePERS' 2020 Comprehensive Annual Financial Report available online at [www.maineopers.org](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

3. PENSION PLAN (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,036	\$ 5,986
Net difference between projected and actual investment earnings on pension plan investments	11,712	-
Changes in assumptions	-	73,053
Changes in proportion and differences between district contributions and proportionate share of contributions	17,226	-
Subsequent contributions	-	87,618
	<u>\$ 37,974</u>	<u>\$ 166,657</u>

4. DEPOSITS

*Deposits* – State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Maine or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The District's deposits were fully insured or collateralized as required by state statutes at June 30, 2020. The carrying amount of the District's deposits was \$1,432,678 and the bank balance was \$1,797,824.

5. USDA COMMODITIES - LUNCH PROGRAM

The lunch program receives and uses various commodities under an agreement with the United States Department of Agriculture (USDA). Commodity transactions for the year ended June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Commodities on hand - July 1	\$ 10,915	\$ 10,719
Commodities received during the year	<u>18,094</u>	<u>18,124</u>
	29,009	28,843
Commodities on hand - June 30	<u>14,773</u>	<u>10,915</u>
Commodities used during the year	<u>\$ 14,236</u>	<u>\$ 17,928</u>

6. FINANCIAL POSITION - LUNCH PROGRAM

	<b>2021</b>	<b>2020</b>
Cash	\$ 68,007	\$ 24,503
Due from governments	50,492	50,915
Inventories	14,773	10,915
	\$ 133,272	\$ 86,333
Due to general fund	\$ -	\$ -
Fund balance	133,272	86,333
	\$ 133,272	\$ 86,333

7. INTERFUND ACTIVITY AND BALANCES

At June 30, 2021, interfund balances are as follows:

		Due from		
		General fund	Special Revenue	Other fund
Due to	General fund		\$ 102,328	\$ 50,492
	Special revenue fund	\$ 152,820		
	Other funds			

The above balances reflect the fact that all the cash activity for special revenue programs flows through the general fund.

For the year ended June 30, 2021, \$-0- of operating money was transferred from the lunch program.

8. CONTRACTS PAYABLE

The District's policy is to budget and reflect payments on teacher contracts on a cash basis. The statement of operating revenues, expenditures, and changes in fund balances for the year ended June 30, 2021, reflects actual expenditures according to generally accepted accounting principles and also to the legally enacted cash basis for teacher contracts.

**REGIONAL SCHOOL UNIT #50**  
NOTES TO FINANCIAL STATEMENTS (cont'd)

9. FIXED ASSETS

The following is a summary of changes in capital assets:

	Balance 7/1/20	Additions	Deletions	Balance 6/30/21
<i>Asset:</i>				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Land improvement	189,218	-	-	189,218
Building and improvements	4,508,315	28,308	-	4,536,623
Furniture/equipment	3,331,673	118,137	-	3,449,810
Food service equipment	91,716	-	-	91,716
Software	119,048	-	-	119,048
Playground	55,349	-	-	55,349
Vehicles	634,700	177,448	-	812,148
	<u>8,950,019</u>	<u>323,893</u>	<u>-</u>	<u>9,273,912</u>
<i>Accumulated depreciation</i>				
Land improvement	36,137	8,447	-	44,584
Building and improvements	2,797,491	90,705	-	2,888,196
Furniture/equipment	831,165	216,653	-	1,047,818
Food service equipment	78,222	1,133	-	79,355
Playground	51,716	-	-	51,716
Vehicles	322,755	79,565	-	402,320
	<u>4,117,486</u>	<u>396,503</u>	<u>-</u>	<u>4,513,989</u>
Net book value	<u>\$ 4,832,533</u>	<u>\$ (72,610)</u>	<u>\$ -</u>	<u>\$ 4,759,923</u>

Depreciation is allocated as follows on the statement of activities:

Instruction \$216,653, Operation of plant \$99,152, Transportation \$79,565, nutrition \$1,133.

10. EXPENDITURES OVER APPROPRIATIONS

There were no expenditures that exceeded budgeted amounts.

11. OTHER REVENUES

Other revenues for the general fund are as follows:

	Budget	Actual
Interest	-	1,394
Miscellaenous	11,000	45,318
	<u>\$ 11,000</u>	<u>\$ 46,712</u>

**REGIONAL SCHOOL UNIT #50**  
NOTES TO FINANCIAL STATEMENTS (cont'd)

12. CAPITAL LEASES AND LONG-TERM DEBT

	Balance at July 1	Debt Issued	Debt Retired	Balance at June 30
17.5 year lease through Siemens Public 4% interest, with 34 semi-annual installments of \$44,417-\$153,985.	\$ 2,305,733	\$ -	\$ 91,612	\$ 2,214,121
4 year lease through Apple/Wells Fargo Bank, 0% interest, 4 annual installments of \$59,939.	29,970	-	29,970	-
4 year lease through Androscoggin Bank 3.41% interest, 4 annual installments \$11,082.	31,102	-	10,022	21,080
	<u>\$ 2,366,805</u>	<u>\$ -</u>	<u>\$ 131,604</u>	<u>\$ 2,235,201</u>

Maturities are as follows:

Year ended June 30	Principal	Interest	Total
2022	\$ 107,929	\$ 86,019	\$ 193,948
2023	114,546	83,724	198,270
2024	110,414	79,164	189,578
2025	117,337	74,703	192,040
2026	124,613	69,962	194,575
2027-2031	761,603	268,119	1,029,722
2032-2036	898,759	99,077	997,836
	<u>\$ 2,235,201</u>	<u>\$ 760,768</u>	<u>\$ 2,995,969</u>

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the period July 1, 2021 through December 29, 2021 for any possible disclosures. None were noted. This was not however, when the financial statements were issued.

14. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used by the District in estimating its fair value disclosures for financial instruments and are unchanged from prior years:

- Cash, cash equivalents: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Investments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values of the District's financial instruments are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 1,432,677	\$ 1,432,677

**Fair Value Measurements**

The following table presents the District's fair value hierarchy for the financial assets measured at fair value on a recurring basis:

Fair Value Measurements at Reporting Date Using

	Fair Value	Quoted Prices In Active Markets (Level 1)
Cash and cash equivalents	\$ 1,432,677	\$ 1,432,677

15. OTHER POST EMPLOYMENT BENEFITS – (OPEB)

Plan description

Qualifying personnel of the School can participate in the Maine Education Association Benefits Trust.

Benefits provided

*Medical/Prescription Drug:* The non-Medicare retirees are offered the same plans that are available to the active employees, as described in the benefits summaries. Medicare retirees are assumed to be enrolled in Medicare Part A and Part B which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage.

*Medicare:* Medicare benefits will be taken into account for any member or dependent while they are eligible to apply for Medicare. The Fund will determine a family member's benefit allowance, if any, based upon the applicable Medicare statutes and regulations. The Fund does not participate in the Medicare Retiree Drug Subsidy program.

*Duration of Coverage:* Medical benefits are provided for the life of the retiree and surviving spouses.

*Life Insurance:* The \$2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a \$2,000 life insurance benefit as well.

*Dental:* Current retirees do not have access to dental benefits. Future new retirees who retire on and after the coverage and rates are set to mirror plan experience costs, no additional obligation is anticipated. Program experience will be monitored with future valuations and updated as with all benefit provisions and assumptions.

Net OPEB Liability

The School's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.21% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum.

Healthcare cost trend rates:

*Pre-Medicare Medical:* Initial trend of 8.20% applied in FYE 2020 grading over 14 years to 4.00% per annum.

15. OTHER POST EMPLOYMENT BENEFITS – (OPEB) (cont'd)

*Pre-Medicare Drug:* Initial trend of 9.60% applied in FYE 2020 grading over 14 years to 4.00% per annum.

*Medicare Medical:* Initial trend of 4.93% applied in FYE 2020 grading over 14 years to 4.00% per annum.

*Medicare Drug:* Initial trend of 9.60% applied in FYE 2020 grading over 14 years to 4.00% per annum.

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively, for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of .85% for ages 20-85 grading down to an ultimate rate of 0% for ages 111-120, and convergence to the ultimate rate in the year 2020. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2020.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2020 and based on the experience study covering the period from June 30, 2012 through June 30, 2015.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2020 were used by the Actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

This report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 related legislation and regulations.

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year-tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of December 31, 2020 is based upon an earlier measurement date, as of December 29, 2016 and is 3.78% per annum. The discount rate as of December 31, 2019 is based upon an earlier measurement date, as of December 28, 2019 and is 3.44% per annum. The rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, for pay as you go plans.

15. OTHER POST EMPLOYMENT BENEFITS – (OPEB) (cont'd)

The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (1.21% lower NOL) or 1 percentage point higher (3.21% higher NOL) than the current healthcare cost trend rate.

	<u>1% Decrease</u> 1.21%	<u>Discount Rate</u> 2.21%	<u>1% Increase</u> 3.21%
Total OPEB liability	\$2,959,452	\$2,541,032	\$2,199,970
Plan Fiduciary Net Position	\$0	\$0	\$0
Net OPEB liability	\$2,959,452	\$2,541,032	\$2,199,970
Plan Fiduciary Net Position as a Percentage of the total OPEB liability	0.0%	0.0%	0.0%

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

The impact of experience gains or losses and assumption changes on the TOL are recognized in the OPEB expense over the average expected remaining service life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 9 years.

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

2021: \$(12,627), 2022: \$(12,627), 2023: \$(12,628), 2024: \$4,141, 2025: \$(16,888)

16. RESERVED FUND BALANCE

	<u>Balance</u> <u>Beg of year</u>	<u>Appropriation</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>End of year</u>
<b>Reserved Fund Balance</b>					
Capital Reserve Fund	\$ 4,350	\$ -	\$ -	\$ (4,350)	\$ -
	<u>\$ 4,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,350)</u>	<u>\$ -</u>

17. NEGATIVE NET POSITION

Due to the implementation of GASB 75, which shows the liabilities calculated due to other post employment benefits, the government wide statements of net position show a negative balance for the year ending June 30, 2020.

18. PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$679,752 has been made. \$613,114 was a restatement for OPEB liability and \$66,638 from implementation of GASB 84 for beginning fund balance of student activities.

19. OPEB - DEFERRED OUTFLOWS / INFLOWS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 412,615
Changes in assumptions	412,300	50,314
Subsequent contributions	-	118,069
	<u>\$ 412,300</u>	<u>\$ 580,998</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUND TYPES  
 BUDGET AND ACTUAL ( NON-GAAP BUDGETARY BASIS )  
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund				Adult Education			
	Budget		Actual	Variance Favorable (Unfavorable)	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final			Original	Final		
<b>Revenues</b>								
State assistance	\$ 2,685,879	\$ 2,685,879	\$ 2,706,999	\$ 21,120	\$ 10,749	\$ 10,749	\$ 5,759	\$ (4,990)
Mainecare	-	-	4,091	4,091	-	-	-	-
Property taxes	2,488,470	2,488,470	2,487,114	(1,356)	8,251	8,251	8,251	-
Shared services	110,000	110,000	30,621	(79,379)	-	-	-	-
Other	11,000	11,000	46,712	35,712	-	-	-	-
Total revenues	<u>5,295,349</u>	<u>5,295,349</u>	<u>5,275,537</u>	<u>(19,812)</u>	<u>19,000</u>	<u>19,000</u>	<u>14,010</u>	<u>(4,990)</u>
<b>Expenditures</b>								
Regular instruction	1,795,855	1,795,855	1,735,514	60,341	19,000	19,000	9,165	9,835
Special Education	1,054,962	1,054,962	883,448	171,514	-	-	-	-
Other instruction	191,605	191,605	99,656	91,949	-	-	-	-
Student/staff support	546,355	546,355	451,001	95,354	-	-	-	-
Administration								
District	311,939	311,939	278,036	33,903	-	-	-	-
School	394,818	394,818	352,490	42,328	-	-	-	-
Operation and maintenance of plant	986,860	986,860	976,714	10,146	-	-	-	-
Transportation	362,955	362,955	311,382	51,573	-	-	-	-
	<u>5,645,349</u>	<u>5,645,349</u>	<u>5,088,241</u>	<u>557,108</u>	<u>19,000</u>	<u>19,000</u>	<u>9,165</u>	<u>9,835</u>
Net change in fund balance	<u>\$ (350,000)</u>	<u>\$ (350,000)</u>	<u>187,296</u>	<u>\$ 537,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,845</u>	<u>\$ 4,845</u>
Other items								
Interfund transfer			-				(2,378)	
Fund balance								
(non-GAAP budgetary basis) - July 1			938,080				44,279	
(non-GAAP budgetary basis) - June 30			1,125,376				46,746	
Adjustments to generally accepted accounting principles								
Prepaid items			152,194				-	
Fund balance (GAAP basis)			<u>\$ 1,277,570</u>				<u>\$ 46,746</u>	

Schedule of School's Proportionate Share of the Net Pension Liability  
Maine Public Employees Retirement System State Employee and Teacher Plan (SET)

Last 10 Fiscal Years \*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>SET Plan</u></b>							
School's proportion of the net pension liability	0.0173%	0.0283%	0.0313%	0.0326%	0.0330%	0.0288%	0.0298%
School's proportionate share of the net pension liability	\$ 282,510	\$ 228,735	\$ 421,998	\$ 473,643	\$ 583,334	\$ 388,685	\$ 321,809
School's covered payroll	\$ 2,106,225	\$ 1,865,688	\$ 2,136,027	\$ 3,904,904	\$ 4,378,318	\$ 4,001,156	\$ 4,032,249
School's proportion share of the net pension liability as a percentage of its covered-employee payroll	13.41%	12.26%	19.76%	12.13%	13.32%	9.71%	7.98%

\* Only seven years of information available.

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

**REGIONAL SCHOOL UNIT #50**

Schedule of School Contributions  
Maine Public Employees Retirement System State Employee and Teacher Plan (SET)

Last 10 Fiscal Years \*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>SET Plan</u></b>							
Contractually required contribution	\$ 87,618	\$ 77,612	\$ 84,800	\$ 155,025	\$ 147,111	\$ 134,438	\$ 106,854
Contributions in relation to the contractually required contribution	<u>\$ (87,618)</u>	<u>\$ (77,612)</u>	<u>\$ (84,800)</u>	<u>\$ (155,025)</u>	<u>\$ (147,111)</u>	<u>\$ (134,438)</u>	<u>\$ (106,854)</u>
<b><u>Contribution deficiency (excess)</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 2,106,225	\$ 1,865,688	\$ 2,136,027	\$ 3,904,904	\$ 4,378,318	\$ 4,001,156	\$ 4,032,249
Contributions as a percentage of covered-employee payroll	4.16%	4.16%	3.97%	3.36%	3.36%	3.36%	2.65%

\* Only seven years of information available

**REGIONAL SCHOOL UNIT #50**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF OPEB LIABILITY

Last 10 Fiscal Years \*

	<u>2021*</u>	<u>2020</u>	<u>2019</u>
School's proportionate share of the net OPEB liability	\$ 2,541,032	\$3,364,641	\$ 3,185,068
School's covered payroll	\$ 2,764,227	\$6,529,700	\$ 6,354,939
School's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	91.93%	51.53%	50.12%
Plan Fiduciary Net Position as a percentage of the total OPEB Liability	0.00%	0.00%	0.00%

\*Third year of implementation of GASB 75

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

**REGIONAL SCHOOL UNIT #50**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF SCHOOL CONTRIBUTIONS-OPEB

Last 10 Fiscal Years \*

	<u>2021*</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 118,069	\$ 117,987	\$ 113,909
Contributions in relation to the contractually required contribution	<u>\$ (118,069)</u>	<u>\$ (117,987)</u>	<u>\$ (113,909)</u>
<b><u>Contribution deficiency (excess)</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$2,764,227	\$1,865,688	\$2,136,027
Contributions as a percentage of covered- employee payroll	4.27%	6.32%	5.33%

\*Third year of implementation of GASB 75

**REGIONAL SCHOOL UNIT #50**

COMBINED BALANCE SHEETS - ALL SPECIAL REVENUE FUNDS  
 JUNE 30, 2021  
 (with summarized financial information for the year ended June 30, 2020)

	Adult Education	Federal Programs	State Programs	<b>2021 Totals</b>	<b>2020 Totals</b>
<i>Assets:</i>					
Due from other governments	\$ -	\$ 109,820	\$ -	\$ 109,820	\$ 59,746
Due from other funds	46,746	-	55,582	102,328	109,709
	<u>\$ 46,746</u>	<u>\$ 109,820</u>	<u>\$ 55,582</u>	<u>\$ 212,148</u>	<u>\$ 169,455</u>
<i>Liabilities</i>					
Due to other funds	\$ -	\$ 96,752	\$ -	\$ 96,752	\$ 59,746
	<u>-</u>	<u>96,752</u>	<u>-</u>	<u>96,752</u>	<u>59,746</u>
<i>Fund Balance:</i>					
Restricted	46,746	13,068	55,582	115,396	109,709
	<u>\$ 46,746</u>	<u>\$ 109,820</u>	<u>\$ 55,582</u>	<u>\$ 212,148</u>	<u>\$ 169,455</u>

**REGIONAL SCHOOL UNIT #50**

COMBINED SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021  
(with summarized financial information for the year ended June 30, 2020)

	Adult Education	Federal Programs	State and Other Programs	<b>2021 Totals</b>	<b>2020 Totals</b>
<b>Revenues</b>					
Federal and State assistance	\$ 5,759	\$ 1,119,935	\$ 31,926	\$ 1,157,620	\$ 488,889
Property taxes	8,251	-	-	8,251	19,000
Fees / Miscellaneous	-	-	-	-	640
Total revenues	<u>14,010</u>	<u>1,119,935</u>	<u>31,926</u>	<u>1,165,871</u>	<u>508,529</u>
<b>Expenditures</b>					
Salaries / benefits	5,809	380,970	-	386,779	366,203
Contracted Services	3,356	20,250	-	23,606	27,736
Travel	-	480	-	480	2,855
Supplies	-	8,805	15,910	24,715	10,105
Other	-	696,362	25,864	722,226	39,585
	<u>9,165</u>	<u>1,106,867</u>	<u>41,774</u>	<u>1,157,806</u>	<u>446,484</u>
Net change in fund balance	4,845	13,068	(9,848)	8,065	62,045
Transfer to General fund	-	-	-	-	(24,552)
Transfer to RSU 89	(2,378)	-	-	(2,378)	(2,478)
Fund balance - July 1	<u>44,279</u>	<u>-</u>	<u>65,430</u>	<u>109,709</u>	<u>74,694</u>
Fund balance - June 30	<u>\$ 46,746</u>	<u>\$ 13,068</u>	<u>\$ 55,582</u>	<u>\$ 115,396</u>	<u>\$ 109,709</u>

**REGIONAL SCHOOL UNIT #50**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - FEDERAL PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2021

	Title IA	Teacher Quality Title IIA	CARES Funding	ESSER Funding	Pre-K Handicapped	Tier III	Rural Achievement Title VI	21st Century	Local Entitlement	Totals
Revenues										
Federal grants received through the State of Maine	\$ 152,805	\$ 37,193	\$ 640,565	\$ 109,820	\$ 2,836	\$ 41,512	\$ 14,577	\$ 16,637	\$ 103,990	\$ 1,119,935
Expenditures										
Salaries / benefits	141,597	42,172	85,361	-	2,836	14,885	14,577	-	79,542	380,970
Contracted Services	-	-	-	-	-	-	-	250	20,000	20,250
Travel	-	-	-	-	-	-	-	480	-	480
Supplies	-	-	132	-	-	-	-	25	8,648	8,805
Other	-	-	555,072	109,820	-	13,537	-	16,463	1,470	696,362
Total expenses:	141,597	42,172	640,565	109,820	2,836	28,422	14,577	17,218	109,660	1,106,867
Net change in fund balance	11,208	(4,979)	-	-	-	13,090	-	(581)	(5,670)	13,068
Fund balance - July 1	-	-	-	-	-	-	-	-	-	-
Fund balance - June 30	\$ 11,208	\$ (4,979)	\$ -	\$ -	\$ -	\$ 13,090	\$ -	\$ (581)	\$ (5,670)	\$ 13,068

**REGIONAL SCHOOL UNIT #50**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - STATE AND OTHER PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2021

	Maine ITV	Proficiency Based Education	Melmac	Food Pantry	Butler Foundation Outdoor Education	Gloria Mackenzie	I3 Reading Recovery	Library	Special Education	Cole Professional Development	Mainecare	Totals
Revenues												
Grants	\$ -	\$ -	\$ -	\$ 22,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ 9,170	\$ 31,926
Expenditures												
Salaries / benefits	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	300	15,610	-	-	-	-	-	-	-	15,910
Other	-	-	-	109	-	24,890	-	-	-	71	794	25,864
Total expenses:	-	-	300	15,719	-	24,890	-	-	-	71	794	41,774
Net change in fund balance	-	-	(300)	6,966	-	(24,890)	-	-	-	-	8,376	(9,848)
Transfer to General fund	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance - July 1	5,657	2,855	1,023	5,005	1,267	34,000	160	178	87	-	15,198	65,430
Fund balance - June 30	\$ 5,657	\$ 2,855	\$ 723	\$ 11,971	\$ 1,267	\$ 9,110	\$ 160	\$ 178	\$ 87	\$ -	\$ 23,574	\$ 55,582

**REGIONAL SCHOOL UNIT #50**

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SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - LUNCH PROGRAM  
FOR THE YEARS ENDED JUNE 30, 2021 and 2020

	<b>2021 Totals</b>	<b>2020 Totals</b>
Revenues		
Lunches		
Children / Adult / Ala Carte	\$ 3,129	\$ 28,098
Property tax assessment	25,000	40,000
Food Grant	54	18,000
Subsidies - State of Maine	363,810	299,818
	<u>391,993</u>	<u>385,916</u>
Expenditures		
Food	162,719	145,873
Labor	144,596	100,591
Contracted services	1,830	15,480
Other	35,910	35,758
	<u>345,055</u>	<u>297,702</u>
Change in net assets	46,938	88,214
Transfer from General Fund	-	(30,778)
Fund balance - July 1	<u>86,334</u>	<u>28,898</u>
Fund balance - June 30	<u>\$ 133,272</u>	<u>\$ 86,334</u>

**REGIONAL SCHOOL UNIT #50**

RECONCILIATION OF FINANCIAL STATEMENTS  
TO THE MAINE EDUCATIONAL DATA MANAGEMENT SYSTEM (MEDMS)  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Funds	Lunch Fund	Total
Balance per MEDMS June 30, 2021	\$ -	\$ -	\$ -	\$ -
Cash balances	1,274,176	-	68,007	1,342,183
Fund transfer	(56,068)	5,576	50,492	-
Expenditure adjustments:				
Prepaid expenditures	152,194	-	-	152,194
Contracts payable	(294,310)	-	-	(294,310)
Lunch inventory	-	-	14,773	14,773
Accrued expenses	(22,996)	-	-	(22,996)
Revenue adjustments:				
Accounts receivable	224,574	109,820	-	334,394
Balance per financial statements June 30, 2021	\$ 1,277,570	\$ 115,396	\$ 133,272	\$ 1,526,238

**REGIONAL SCHOOL UNIT #50**

HIGH SCHOOL ACTIVITIES  
SCHEDULE OF TRANSACTIONS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1	Receipts	Disbursements	Transfer	Balance June 30
Athletic Club	\$ 311	\$ 360	\$ 367		\$ 304
Band	200	-	-		200
Basketball gate	9,180	-	2,441		6,739
Book fair	(58)	-	-		(58)
Classes:					
2020	215	-	464		(249)
2021	1,240	2,609	2,719		1,130
2022	(38)	380	-		342
2023	501	-	280		221
2024	735	-	-		735
2025	700	-	570		130
Concessions	(16)	-	-		(16)
Cheering	459	-	459		-
Drama	1,379	-	-		1,379
Family Fund	(24)	-	-		(24)
General	(141)	5,091	4,366		584
Junior high	(72)	-	-		(72)
Maine Community	27	2,650	1,854		823
National Honor Society	334	69	-		403
Project Graduation	1,183	721	-		1,904
Hoop Camps	3,416	985	2,326		2,075
Scholarship-Kirby	16,000	16,787	1,000		31,787
School/Soda Fund	(343)	2,908	2,341		224
Soccer Camp	275	-	-		275
Student Council	3,454	2,314	744		5,024
Stumpage	992	-	-		992
Varsity Club	235	-	-		235
Varsity Boys Basketball	254	-	-		254
Varsity Girls Basketball	(24)	-	-		(24)
Varsity Girls Soccer	83	-	-		83
World Strides	34	-	-		34
Yearbook	2,935	4,061	791	-	6,205
	<u>\$ 43,426</u>	<u>\$ 38,935</u>	<u>\$ 20,722</u>	<u>\$ -</u>	<u>\$ 61,639</u>

Represented by Bank:	\$ 64,609
Cash on hand	(1,380)
Deposits in transit	715
Outstanding checks	(2,305)
Balance per books	<u>\$ 61,639</u>

*See independent auditor's report  
and notes to financial statements*

**REGIONAL SCHOOL UNIT #50**

**ELEMENTARY SCHOOL ACTIVITIES  
SCHEDULE OF TRANSACTIONS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Balance July 1</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>Balance June 30</u>
Boston trip	\$ 15,729	\$ 6,663	\$ 3,279		\$ 19,113
Migrant	403	-	-		403
Pre-K-5 fundraisers	2,827	5,986	3,456		5,357
General/Headstart	790	-	-		790
Playground	2,645	(777)	-		1,868
School store	217	1,338	752		803
Share/Emergency	19	774	638		155
Wellness fund	582	10	225		367
	<u>\$ 23,212</u>	<u>\$ 13,994</u>	<u>\$ 8,350</u>	<u>\$ -</u>	<u>\$ 28,856</u>

Represented by Cash in Bank:	\$ 31,094
Less: Outstanding Checks	(2,623)
Plus: Cash on hand	67
Plus: Deposits in Transit	318
	<u>\$ 28,856</u>

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

To the Management of the  
Regional School Unit No. 50

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School Unit No. 50, as of and for the year ended June 30, 2021, and the related notes to the financial statements and have issued our report thereon dated December 29, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Regional School Unit No. 50's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 50's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 50's internal control.

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Regional School Unit No. 50's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

Presque Isle, Maine  
December 29, 2021

**Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Management of  
Regional School Unit No. 50

***Report on Compliance for Each Major Federal Program***

We have audited Regional School Unit No. 50's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of Regional School Unit No. 50's major federal programs for the year ended June 30, 2021. Regional School Unit No. 50's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Regional School Unit No. 50's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit No. 50's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Regional School Unit No. 50's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Regional School Unit No. 50 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Report on Internal Control over Compliance***

Management of Regional School Unit No. 50 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Regional School Unit No. 50's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are

appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 50's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements Regional School Unit No. 50 as of and for the year ended June 30, 2021, and have issued our report thereon dated December 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Presque Isle, Maine  
December 29, 2021

**REGIONAL SCHOOL UNIT #50**

SCHEDULE OF FEDERAL AWARD EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2021

Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures	
<i>U.S. Treasury Department</i>				
* Coronavirus Relief Funds	21.019	N/A	\$	640,565
<u>Pass through the State of Maine:</u>				
<i>U.S. Department of Education</i>				
Disadvantaged I.A.S.A.	84.010	013-05A-3107-13		141,597
<i>Special Education Cluster</i>				
Local Entitlement IDEA	84.027	013-05A-3046-12	109,660	
Preschool Grant	84.173	013-05A-6247-23	2,836	112,496
Title IIA - Improving Teacher Quality	84.367	013-05A-3042-11		42,172
* Elementary and Secondary School Emergency Relief	84.425D	N/A		109,820
Tier III	84.031	N/A		28,422
21st Century	84.287	013-05A-1102-13		17,218
Rural Low Income grant	84.144	013-05A-3305-03		14,577
<i>U.S. Department of Agriculture</i>				
<i>Child Nutrition Cluster</i>				
Fresh Fruits / Vegetables	10.582	013-05A-3028-05	17,091	
Special Lunch Program	10.555	013-05A-3023-05	2,581	
Summer Food Program	10.559	013-05A-3016-05	355,053	
Summer Food Program Admin	10.559	013-05A-3018-05	36,440	
National After School Snack Program	10.555	013-05A-3020-05	3,077	414,242
Donated foods	10.555	N/A		14,236
<b>Total Federal Awards</b>				<b>\$ 1,535,345</b>

\* Indicates major program

Notes:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all

federal awards programs of the RSU #50. All federal awards received are included on the schedule.

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

The District has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**REGIONAL SCHOOL UNIT #50**

NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

1. *General*

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Regional School Unit #50. All federal awards received are included on the schedule.

2. *Basis of accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. *Major Programs - Federal*

The following programs were considered major programs as defined by Uniform Guidance:

<u>Program</u>	<u>CFDA #</u>
Coronavirus Relief Fund	21.019
ESSER	84.425D

**REGIONAL SCHOOL UNIT #50**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted:	No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425D 21.019	ESSER Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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Auditee qualified as low-risk auditee?	No
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**Section II - Financial Statement findings      None**

**Section III - Federal Award Findings and Questioned Costs    None**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH MAINE STATE STATUTE REQUIREMENTS**

To the Management of the  
Regional School Unit No. 50

We audited the financial statements of the Regional School Unit No. 50 as of and for the year ended June 30, 2021, and have issued my report thereon dated December 29, 2021.

The management of the Regional School Unit No. 50 is responsible for the School's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with laws and regulations, noncompliance with which could have a material effect on the financial statements of the Regional School Unit No. 50.

Title 20-A Sec 6051 requires certain written assurances with respect to school audits. Our audit of compliance with the laws and regulations consisted of, at a minimum, the following:

1. A determination of whether or not the school has complied with budget content requirements pursuant to section 15693, subsection 1 and cost center summary budget.
2. A determination of whether or not the school has exceeded its authority to expend funds.
3. A determination of whether or not the annual financial data submitted to the department is correct.
4. A determination of whether or not the school was in compliance with applicable provisions of the Essential Programs and Services Funding Act pursuant to chapter 606-B, subsection 15671.

The results of our tests indicate that, for the items tested, the Regional School Unit No. 50 complied with those provisions of Maine laws and regulations. Nothing came to our attention that caused us to believe that, for items not tested, the Regional School Unit No. 50 was not in compliance with Maine laws and regulations.

Presque Isle, Maine  
December 29, 2021