

FIVE TOWN CSD

Annual Financial Report

For the Year Ended June 30, 2015

**FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2015**

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor’s Report		1-3
Management Discussion and Analysis		4-7
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	11
Statement of Activities	2	12
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	6	16
Statement of Fiduciary Net Position- Fiduciary Funds	7	17
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	8	18
Notes to Basic Financial Statements		19-35
Required Supplementary Information		
Schedule of School District’s Proportionate Share of the Net Pension Liability		36
Schedule of School District Contributions		37
Notes to Required Supplementary Information		38
	<u>Exhibit</u>	
Combining and Individual Fund Statements:		
General Fund:		
Comparative Balance Sheets	A-1	41
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	42-44
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	B-1	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	48
School Categoricals and Other Programs - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-3	49

**FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2015**

Table of Contents, Continued

	<u>Schedule</u>	<u>Page</u>
Fiduciary Funds:		
Combining Schedule of Changes in Fiduciary Net Position - Scholarship Funds	1	53
Statement of Cash Receipts, Disbursements and Changes in Balances - Agency Fund - High School Activity Funds	2	54-55
Schedule of Expenditures of Federal Awards	3	56

Independent Auditor's Report

Board of Directors
Five Town CSD

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 Five Town CSD, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Five Town CSD, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the School District's proportionate share of net pension liability, and the schedule of School District's contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Five Town CSD's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Maine Department of Education, and is not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2015 on our consideration of Five Town CSD'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 the 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 Five Town CSD's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

October 5, 2015
South Portland, Maine

FIVE TOWN CSD
Management's Discussion and Analysis
June 30, 2015

In this section of the Annual Financial Report, the managers of Five Town CSD discuss and analyze the District's financial performance for the fiscal year ended June 30, 2015. Please read it in conjunction with the Independent Auditor's Report on pages 1-3, and the District's Basic Financial Statements which begin on page 10.

Financial Highlights

The District's net position for FY 2015 was \$12,021,854; an increase of \$342,029 over last year as a result of this year's operations and fund reclassifications.

During the year, the District had expenses that were \$342,029 less than the \$13,645,232 revenues generated in tax and other revenues.

The General Fund ended the year with a \$(242,930) GAAP balance compared to last year's balance of \$(163,438), which includes the accrued teacher summer salaries amounts.

Long-term debt has decreased by \$913,802 as the District continues to pay down the debt services for previous construction projects and add capital leases on a yearly basis.

Using this Annual Report

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 13) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 19) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds.

Reporting on the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements use the accrual basis of accounting, which is the basis used by private sector companies.

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by the State of Maine in the form of annual foundation allocations and debt service subsidies. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or the property tax base of its member communities and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

Governmental activities - Most of the District's basic services are reported here, including the instruction, guidance, co-curricular activities, food services, transportation, maintenance, and general administration. Annual assessments to member communities, State subsidies, tuition, fees, and federal grants finance most of these activities. Fiduciary funds are excluded from the Statement of Net Position and Statement of Activities.

Business-type activities - Activities that are intended to recover all or a significant portion of their costs through user fees and charges are reported as business-type activities. The District currently reports no business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 13 and provide detailed information about the most significant funds- not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes. The District only has one type of fund as follows:

Governmental funds - All of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities and for student scholarships. All of the District's fiduciary activities are reported in separate Statement of Fiduciary Net position on page 17. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

NET POSITION
Governmental Activities

	2015	2014 - Restated
Current and other assets	\$ 1,926,248	\$ 1,622,572
Capital assets	18,225,791	18,651,670
Total assets	20,152,039	20,274,242
Deferred outflows of resources	193,009	124,030
Long-term liabilities	6,212,291	6,711,165
Other liabilities	2,079,704	2,007,282
Total liabilities	8,291,995	8,718,447
Deferred inflows of resources	31,199	-
Net position:		
Net investment in capital assets	11,547,700	11,059,777
Restricted	421,427	454,375
Unrestricted	52,727	165,673
Total net position	\$ 12,021,854	\$ 11,679,825

CHANGE IN NET POSITION
Governmental Activities

	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 713,647	\$ 746,445
Operating grants and contributions	1,351,174	1,311,779
Capital grants and contributions	-	-
General revenues:		
Local assessments	10,157,005	9,607,507
Local assessments - Adult Education	207,264	209,995
State allocations	1,192,263	1,281,374
Investment earnings	1,263	1,025
Miscellaneous/loss on disposal	22,616	(15,330)
Total revenues	13,645,232	13,142,795
Expenses:		
Instruction	4,335,391	4,141,171
Special education	1,136,679	982,238
Vocational programs	1,052,640	951,488
Other Instruction	398,967	393,659
Student and staff support	1,005,110	948,706
Transportation	382,140	387,877
Administration	793,850	783,590
Operation and maintenance of plant	1,666,987	1,686,645
Maine PERS	726,478	718,905
Program expenditures	990,335	946,030
Food service	422,419	431,163
Debt service interest	392,207	441,181
Total expenses	13,303,203	12,812,653
Change in net position	\$ 342,029	\$ 330,142

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

Net position of the District's governmental activities increased \$342,029. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$52,727 at June 30, 2015.

The District's total revenues increased 3.8%. The total cost of all programs and services was \$13,303,203.

The District increased the local assessment by an average of 2.02%.

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet in Statement 3) reported a combined fund balance of \$693,485.

The District's General Fund deficit of \$(242,930) reported on Statement 4 occurs due to auditing standards that require accrued summer wages to be included in the prior year's budget. The District reports certain revenues and expenditures in different periods for statutory and financial reporting purposes. The District books and the State of Maine MEDMS data accurately state a balance of \$715,045 for the General Fund.

Capital Asset and Debt Administration

Capital Assets

Significant capital asset additions during 2015 included:

- Lighting renovations \$106,789
- Video Lab 30,294
- Copiers 23,561

Debt

At year-end, the District had \$6,678,091 in bonds outstanding and capital leases. Other obligations include accrued summer pay for teachers and the net pension liability.

Economic Factors and Next Year's Budget and Rates

The Members of the District's Board of Directors approved a fiscal year 2016 budget of \$12,060,715, or a 2.43% increase with the local assessments to the towns increasing by an average of 2.13%.

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 questions about this report or need additional financial information, contact the District's Business Manager, Cathy Murphy or the Superintendent, Maria Libby, Five Town CSD, 7 Lions Lane, Camden, Maine 04843, or by phone at 207-236-3358.

BASIC FINANCIAL STATEMENTS

FIVE TOWN CSD
Statement of Net Position
June 30, 2015

	Governmental activities
ASSETS	
Cash and cash equivalents	\$ 270,850
Investments	1,515,923
Due from other governments	128,967
Inventory	10,508
Capital assets, not being depreciated	24,000
Capital assets, net	18,201,791
Total assets	20,152,039
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	193,009
Total deferred outflows of resources	193,009
LIABILITIES	
Accrued wages and benefits	977,693
Accounts payable	255,070
Accrued interest	64,890
Noncurrent liabilities:	
Due within one year	975,060
Due in more than one year	6,019,282
Total liabilities	8,291,995
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	31,199
Total deferred inflows of resources	31,199
NET POSITION	
Net investment in capital assets	11,547,700
Restricted	421,427
Unrestricted	52,727
Total net position	\$ 12,021,854

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Activities
For the year ended June 30, 2015

Function/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Governmental activities:					
Instruction	\$ 4,335,391	77,259	-	-	(4,258,132)
Special education	1,136,679	-	98,986	-	(1,037,693)
Vocational programs	1,052,640	-	-	-	(1,052,640)
Other instruction	398,967	-	-	-	(398,967)
Student and staff support	1,005,110	-	-	-	(1,005,110)
Transportation	382,140	-	-	-	(382,140)
Administration	793,850	-	-	-	(793,850)
Operation and maintenance of plant	1,666,987	-	-	-	(1,666,987)
Maine PERS - on-behalf payments	726,478	-	726,478	-	-
Program expenditures	990,335	339,348	414,261	-	(236,726)
Food service	422,419	297,040	111,449	-	(13,930)
Interest on debt	392,207	-	-	-	(392,207)
Total governmental activities	13,303,203	713,647	1,351,174	-	(11,238,382)
Total primary government	\$ 13,303,203	713,647	1,351,174	-	(11,238,382)

General revenues:

Local assessments	\$ 10,157,005
Local assessments - Adult Education	207,264
State allocation	1,192,263
Investment earnings	1,263
Miscellaneous	22,616
Total general revenues	11,580,411
Change in net position	342,029
Net position--beginning, as restated	11,679,825
Net position--ending	\$ 12,021,854

See accompanying notes to basic financial statements.

**FIVE TOWN CSD
Balance Sheet
Governmental Funds
June 30, 2015**

	General Fund	School Lunch Fund	Capital Reserve	Other Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 227,994	100	-	42,756	270,850
Investments	1,515,923	-	-	-	1,515,923
Due from other governments	20,282	6,335	-	102,350	128,967
Inventory	-	10,508	-	-	10,508
Interfund receivables	-	-	536,000	376,370	912,370
Total assets	\$ 1,764,199	16,943	536,000	521,476	2,838,618
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued wages and benefits	957,975	-	-	19,718	977,693
Accounts payable	134,446	-	-	-	134,446
Unearned revenue	-	3,920	-	-	3,920
Interfund payables	914,708	23,527	-	90,839	1,029,074
Total liabilities	2,007,129	27,447	-	110,557	2,145,133
Fund balances:					
Nonspendable - school lunch inventory	-	10,508	-	-	10,508
Restricted by grantors and donors	-	-	-	410,919	410,919
Committed - capital reserve	-	-	350,000	-	350,000
Assigned	-	-	186,000	-	186,000
Unassigned	(242,930)	(21,012)	-	-	(263,942)
Total fund balances (deficit)	(242,930)	(10,504)	536,000	410,919	693,485
Total liabilities and fund balances	\$ 1,764,199	16,943	536,000	521,476	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					18,225,791
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:					
Accrued interest					(64,890)
Legal judgments against the District					(226,000)
Net pension liability, including deferred outflows and inflows of resources					71,559
Capital leases					(88,004)
Bonds payable					(6,590,087)
Net position of governmental activities					\$ 12,021,854

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2015

	General Fund	School Lunch Fund	Capital Reserve	Other Governmental Funds	Totals
Revenues:					
Local assessments	\$ 10,157,005	-	-	207,264	10,364,269
Intergovernmental	2,017,727	111,449	-	414,261	2,543,437
Charges for services	77,259	297,040	-	93,794	468,093
Interest earned	1,263	-	-	1,841	3,104
Other revenues	22,616	-	-	243,713	266,329
Total revenues	12,275,870	408,489	-	960,873	13,645,232
Expenditures:					
Current:					
Instruction	4,408,327	-	-	-	4,408,327
Special education	910,679	-	-	-	910,679
Vocational programs	1,052,640	-	-	-	1,052,640
Other instruction	398,967	-	-	-	398,967
Student and staff support	1,005,110	-	-	-	1,005,110
Transportation	382,140	-	-	-	382,140
Administration	793,850	-	-	-	793,850
Operation and maintenance of plant	1,204,253	-	-	-	1,204,253
Maine PERS - on-behalf payments	726,478	-	-	-	726,478
Program expenditures	-	-	-	990,335	990,335
Food service	-	420,459	-	-	420,459
Debt service	1,342,918	-	-	-	1,342,918
Capital outlay	91,501	-	-	-	91,501
Total expenditures	12,316,863	420,459	-	990,335	13,727,657
Excess (deficiency) of revenues over (under) expenditures	(40,993)	(11,970)	-	(29,462)	(82,425)
Other financing sources:					
Proceeds from capital leases	91,501	-	-	-	91,501
Transfer in	-	5,000	125,000	-	130,000
Transfer out	(130,000)	-	-	-	(130,000)
Total other financing sources	(38,499)	5,000	125,000	-	91,501
Net change in fund balances	(79,492)	(6,970)	125,000	(29,462)	9,076
Fund balances (deficit), beginning of year	(163,438)	(3,534)	411,000	440,381	684,409
Fund balances (deficit), end of year	\$ (242,930)	(10,504)	536,000	410,919	693,485

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2015

Net change in fund balances--total governmental funds (from Statement 4)	\$	9,076
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$614,701) exceeded capital outlays (\$188,822).		(425,879)
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Bond proceeds provide current financial resources to

governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal repayments on bonds and leases (\$1,005,303) exceeded proceeds (\$91,501).		913,802
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Some expenses reported in the statement of activities do not require the

use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the decrease in net pension liability with related deferred inflows and outflows of resources.		61,760
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Some expenses reported in the statement of activities do not

require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the decrease in accrued interest (\$9,270) and the increase in legal judgements against the District (\$226,000).		(216,730)
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Change in net position of governmental activities (see Statement 2)	\$	342,029
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See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2015

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 10,154,213	10,154,213	10,157,005	2,792
Intergovernmental	1,298,115	1,298,115	1,291,249	(6,866)
Charges for services	76,720	76,720	77,259	539
Interest earned	2,500	2,500	1,263	(1,237)
Other revenues	49,750	49,750	22,616	(27,134)
Total revenues	11,581,298	11,581,298	11,549,392	(31,906)
Expenditures:				
Current:				
Instruction	4,316,899	4,316,899	4,289,737	27,162
Special education	942,891	942,891	910,679	32,212
Vocational programs	1,052,640	1,052,640	1,052,640	-
Other instruction	399,228	399,228	398,967	261
Student and staff support	1,078,090	1,078,090	1,005,110	72,980
Transportation	408,388	408,388	382,140	26,248
Administration	817,685	817,685	793,850	23,835
Operation and maintenance of plant	1,361,379	1,361,379	1,204,253	157,126
Undistributed	50,000	50,000	-	50,000
Debt service	1,342,918	1,342,918	1,342,918	-
Total expenditures	11,770,118	11,770,118	11,380,294	389,824
Excess (deficiency) of revenues over (under) expenditures	(188,820)	(188,820)	169,098	357,918
Other financing sources (uses):				
Transfer to capital maintenance fund	-	-	(75,000)	(75,000)
Transfer to food service	(5,000)	(5,000)	(5,000)	-
Use of fund balance	193,820	193,820	-	(193,820)
Total other financing sources (uses)	188,820	188,820	(80,000)	(268,820)
Net change in fund balance - budgetary basis	-	-	89,098	89,098
Reconciliation to GAAP basis:				
Transfer to capital reserve			(50,000)	(50,000)
Change in accrued teacher summer salaries and accrued hourly payroll			(118,590)	(118,590)
Net change in fund balance - GAAP basis			(79,492)	(79,492)
Fund balance (deficit), beginning of year			(163,438)	
Fund balance (deficit), end of year			\$ (242,930)	

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	397,087	212,668
Interfund receivables		116,704	-
Total assets	\$	513,791	212,668
LIABILITIES AND NET POSITION			
Liabilities:			
Due to student groups and other organizations		-	212,668
Total liabilities		-	212,668
Net position:			
Held in trust		513,791	-
Total net position		513,791	-
Total liabilities and net position	\$	513,791	212,668

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2015

		Private- purpose Trust Funds
<hr/>		
Additions:		
Contributions	\$	253,628
Interest and dividends		1,010
Total revenues		254,638
<hr/>		
Deductions:		
Scholarships and other		44,850
<hr/>		
Change in net position		209,788
<hr/>		
Net position, beginning of year		304,003
<hr/>		
Net position, end of year	\$	513,791

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Notes to Basic Financial Statements

THE REPORTING ENTITY

The Five Town CSD (District), organized on June 10, 1994 to provide education to children in grades 9 to 12, is located in central Maine's coastal region. The District's Board of Directors consists of 11 elected members representing the Towns of Appleton, Hope, Lincolnville, Camden, and Rockport.

Under provisions of state law, the District had a transition period that began on July 1, 1994, under which it was authorized to perform all acts of a community school district except the assumption of the control and operation of grades 9 to 12. The District assumed control and operation of grades 9 to 12 on July 1, 1999.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Five Town CSD conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

A. Basis of Presentation

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

1. Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

School Lunch Fund - Transactions related to resources obtained and used in providing children's lunches are accounted for in the School Lunch Fund.

Capital Reserve Fund - The Capital Reserve Fund is used to account for financial resources segregated for capital needs. Such resources are derived from transfers from the General Fund.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, the District reports non-major funds as follows:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The nonmajor Special Revenue Funds include Adult Education, School Categoricals Fund, MaineCare Fund, F1 Visa Fund, and Other Programs.

2. Fiduciary and Agency Fund Types:

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

C. Measurement Focus

1. Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position.

2. Fund Financial Statements

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

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

1. Revenues - Exchange and Non-exchange Transactions:

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

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

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

2. Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgetary Accounting

Budgets are formally adopted for the General and Adult Education Funds each year by a referendum vote, and are prepared on a basis consistent with generally accepted accounting principles except for accrued wages and benefits, and Maine Public Employees Retirement System on-half payments as described later in these notes. Other special revenue funds, school lunch fund and capital project funds do not have legally adopted budgets but have adopted budgets through formal authorizations by the Board of Directors and through grant agreements.

F. Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the District. All encumbrances lapse at year end except those authorized to be carried forward.

G. Interfund Transactions - During the course of normal operations, the District has several transactions between funds. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

I. Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The District does not possess any material infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Buildings and improvements	20-50 years
Furniture and fixtures	5-20 years
Vehicles	5-10 years

J. Compensated Absences - Under terms of union contracts and personnel administration policies, employees are granted vacation and sick time in varying amounts. Vacation time must be used by June 30th and sick time is not paid unless an employee is ill.

K. Use of Estimates - Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the District. All encumbrances lapse at year end except those authorized to be carried forward. These amounts are reported as assigned fund balance. The voters at the District budget meeting have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. For assigned fund balance amounts, the Superintendent has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The School Board approves the assigned amounts either before or after year end.

Although the District does not have a formal policy, when both restricted and unrestricted resources are available for use, it is the government's intention to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the government's intention to use committed or assigned resources first, and then unassigned resources as they are needed.

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

N. Deferred Inflows and Outflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, which include the School District's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between School District contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows relate to the net pension liability, which include the differences between expected and actual experience and changes in proportion and differences between School District's contributions and proportionate share of contributions, which is deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information - The District committee is responsible for preparing and submitting a budget to the voters. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for teacher summer salaries and benefits which are budgeted on a cash basis and Maine Public Employees Retirement System on-behalf payments. Maine Public Employees Retirement System contributions are made by the State of Maine on behalf of the District.

The level of control (level at which expenditures may not exceed budget) is the warrant article. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year.

B. Deficit Fund Balance - At June 30, 2015, the following funds had a deficit fund balance:

General Fund	\$ 242,930
Special Revenue Funds:	
School Lunch Fund	10,504

These deficits will be funded by future operating revenues or future grant proceeds.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of or destruction of assets, errors and omissions, and natural disasters for which the District either carries commercial insurance or participates in a public entity risk pool. The District participates in public entity risk pools sponsored by the Maine School Management Association (MSMA) for both Workers' Compensation coverage and Unemployment coverage.

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2015.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-District Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2015, the District reported deposits of \$880,605 with a bank balance of \$913,727. As of June 30, 2015, \$423,065 of the District's bank balance of \$913,727 was exposed to custodial credit risk as it was collateralized by underlying securities held by the bank, but the securities were not in the District's name. The remaining \$490,662 was covered by F.D.I.C. insurance.

Deposits have been reported as follows:

Reported in governmental funds	\$ 270,850
Reported in fiduciary funds	609,755
Total deposits	\$ 880,605

B. Investments

Maine statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. Generally, the District invests such excess funds in repurchase agreements.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

At June 30, 2015, the District had the following investments and maturities:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Repurchase agreements	\$ 1,515,923	1,515,923	-	-
Total investments	\$ 1,515,923	1,515,923	-	-

Investments have been reported as follows:

Reported in governmental funds	\$ 1,515,923
Total investments	\$ 1,515,923

Interest Rate Risk: The District does not have a formal policy with respect to interest rate risk. However, the District's practice is to invest excess funds in overnight repurchase agreements thereby eliminating interest rate risk.

Custodial Credit Risk-District's investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$1,515,923 investment in repurchase agreements, 100% was subject to custodial credit risk because it was collateralized by underlying securities held by the related bank, which were not in the District's name.

INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables at June 30, 2015 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	914,708
School lunch Fund	-	23,527
Capital Reserve Fund	536,000	-
Nonmajor special revenue funds:		
Adult Education	73,014	-
School Categorical Funds	-	90,839
MaineCare Fund	16,820	-
F1 Visa Fund	50,250	-
Other programs	236,286	-
Total special revenue funds	376,370	90,839
Fiduciary funds:		
Private-purpose trust funds	116,704	-
Total fiduciary funds	116,704	-
Total all funds	\$ 1,029,074	1,029,074

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2015 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ -	130,000
Major special revenue funds:		
School lunch fund	5,000	-
Capital reserve fund	125,000	-
Total major special revenue funds	130,000	-
Total transfers	\$ 130,000	130,000

The transfers to the School Lunch fund and the Capital Reserve fund were approved by the Board of Directors.

LOCAL ASSESSMENTS

The tax assessment is prorated among the five member towns based on essential programs and services calculations.

The assessment for the year ended June 30, 2015 is as follows:

	<u>General Fund</u>	<u>Adult Education</u>
Town of Appleton	\$ 425,462	8,801
Town of Camden	3,745,889	77,490
Town of Hope	571,682	11,826
Town of Lincolnville	1,622,389	30,712
Town of Rockport	3,791,583	78,435
Totals	\$ 10,157,005	207,264

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance <u>6/30/14</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/15</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,000	-	-	24,000
Total capital assets, not being depreciated	24,000	-	-	24,000
Capital assets, being depreciated:				
Buildings and improvements	25,116,770	116,181	-	25,232,951
Equipment	826,507	72,641	-	899,148
Furniture and fixtures	170,837	-	-	170,837
Total capital assets, being depreciated	26,114,114	188,822	-	26,302,936
Less accumulated depreciation:				
Buildings and improvements	(7,096,695)	(539,023)	-	(7,635,718)
Equipment	(273,314)	(64,664)	-	(337,978)
Furniture and fixtures	(116,435)	(11,014)	-	(127,449)
Total accumulated depreciation	(7,486,444)	(614,701)	-	(8,101,145)
Capital assets, being depreciated, net	18,627,670	(425,879)	-	18,201,791
Governmental activities capital assets, net	\$ 18,651,670	(425,879)	-	18,225,791

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 23,186
School Lunch	1,960
Operations of maintenance and plant	589,555
Total depreciation expense	\$ 614,701

LONG-TERM DEBT

A. Changes in Long-term Liabilities

The following is a summary of long-term liability transactions for the year ended June 30, 2015:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
Bonds payable	\$ 7,531,528	-	941,441	6,590,087	941,441
Capital leases	60,365	91,501	63,862	88,004	33,619
Litigation claims	-	226,000	-	226,000	-
Net pension liability	114,231	-	23,980	90,251	-
Governmental activities long-term liabilities	\$ 7,706,124	317,501	1,029,283	6,994,342	975,060

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

B. Bonds

Bonds payable at June 30, 2015 are comprised of the following individual issues:

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/15</u>
High School construction	8/2/99	\$ 18,828,817	Varies	10/25/21	6,590,087
Total bonds payable					\$ 6,590,087

C. Capital Leases

The District has entered into various lease agreements to finance the cost of energy retrofit projects and computers. These leases qualify as capital leases for accounting purposes and therefore have been recorded at the present value of the future minimum lease payments as of their inception. The following is a summary of equipment leased under capital lease agreements:

	<u>Governmental Activities</u>
Lighting retrofit	\$ 61,207
Computers - 2014	13,671
Computers - 2015	30,294

Capital leases payable at June 30, 2015 are comprised of the following individual issues:

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/15</u>
Capital leases payable:					
Lighting retrofit	1/12/15	\$ 61,207	2.72%	7/12/2017	61,207
Computers - 2014	7/19/13	13,671	3.00%	8/15/2016	6,847
Computers - 2015	9/20/14	30,294	2.85%	10/15/2016	19,950
Total capital leases payable					\$ 88,004

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2015 are as follows:

<u>Year ended June 30,</u>	<u>Capital leases</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 33,619	1,600	941,441	343,065
2017	33,711	1,507	941,441	287,667
2018	20,674	562	941,441	232,100
2019	-	-	941,441	177,205
2020	-	-	941,441	83,430
2021-2022	-	-	1,882,882	83,430
Totals	\$ 88,004	3,669	6,590,087	1,206,897

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

All debt service requirements are paid by the General Fund.

The statutes of the State of Maine provide, in part, that the aggregate principal amount of bonds and notes issued by a School Administrative District for capital outlay purposes shall not exceed, at any one time outstanding, the limit of indebtedness of the sum of 10% of the total of the last preceding state valuation of the member municipalities, plus an amount set by the State Board of Education at the time of initial approval of the school construction project not to exceed 4% of the state valuation of the participating municipalities. At June 30, 2015, the District's direct debt of \$6,590,087 was within the minimum statutory limit of 10% of the five participating municipalities.

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

The State of Maine reimburses the District for a portion of financing costs of the new school building. Continuation of such reimbursements is dependent upon continued appropriations by the State Legislature.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description – Employees of the School District are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SETP Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

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

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Maine statute requires the State to contribute a portion of the School District's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The School District's contractually required contribution rate for the year ended June 30, 2015, was 15.68% of annual payroll of which 2.65% of payroll was required from the School District and 13.03% was required from the State. Contributions to the pension plan from the School District were \$126,739 for the year ended June 30, 2015.

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

The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The School District's proportion of the net pension liability was based on projections of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Administrative Districts and the State.

SETP Plan - At June 30, 2015, the School District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the School District. The amount recognized by the School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the School District were as follows:

School District's proportionate share of the net pension liability	\$ 90,251
State's proportionate share of the net pension liability associated with the School District	4,422,374
Total	\$ 4,512,625

At June 30, 2014, the School District's proportion of the SETP Plan was 0.0084%.

For the year ended June 30, 2015, the School District recognized pension expense of \$688,151 and revenue of \$623,174 for support provided by the State for the SETP Plan. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	301
Changes of assumptions	4,143	-
Net difference between projected and actual earnings on pension plan investments	-	30,898
Changes in proportion and differences between School District contributions and proportionate share of contributions	62,127	-
School District contributions subsequent to the measurement date	126,739	-
Total	\$ 193,009	\$ 31,199

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

An amount of \$126,739 is reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 25,261
2017	25,261
2018	(7,724)
2019	(7,724)

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SETP Plan</u>
Inflation	3.5%
Salary Increases, per year	3.5% to 13.5%
Investment return, per annum, compounded annually	7.125%
Cost of living benefit increases, per annum	2.55%

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
Total	100%	

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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

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

<u>SETP Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
School District's proportionate share of the net pension liability	\$ 172,868	\$ 90,251	\$ 21,119

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

Payables to the Pension Plan - None as of June 30, 2015.

BUDGETARY ACCOUNTING

The following is a reconciliation of the General Fund GAAP and budgetary fund balances.

Fund balance - June 30, 2015 - GAAP basis (Statement 4)	\$ (242,930)
<u>Teacher summer salaries and accrued hourly payroll and benefits</u>	<u>957,975</u>
<u>Fund balance, June 30, 2015 - budgetary basis</u>	<u>\$ 715,045</u>

The accrued wages represents summer salaries for teachers whose contract obligations have been fulfilled, but are unpaid at June 30 and payment for wages earned as of June 30th but paid in July and August.

Additionally, as required by accounting principles generally accepted in the United States of America, the District has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the District. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$726,478. These amounts have been included as an intergovernmental revenue and an education expenditure in the General Fund on Statement 2 and Statement 4 (GAAP basis). There is no effect on the fund balance at the end of the year.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

FUND BALANCE

As of June 30, 2015, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	-	-	- *
Capital Reserve	-	-	350,000	186,000
Special Revenue Funds:				
School Lunch	10,508	-	-	-
School Grants and Other Programs	-	410,919	-	-
Totals	\$ 10,508	410,919	350,000	186,000

*The actual amount of fund balance budgeted for the fiscal year 2016 budget is \$143,820. The School Board also voted to carryforward \$20,000 of unspent legal fees and \$50,000 of unused contingency. The School District cannot assign an amount of funds if the result of that assignment would cause a deficit in unassigned fund balance.

NET POSITION

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's net investment in capital assets is calculated as follows at June 30, 2015:

Capital assets	\$ 26,326,936
Accumulated depreciation	(8,101,145)
Bonds payable	(6,590,087)
Capital leases	(88,004)
Total net investment in capital assets	\$ 11,547,700

NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2015, the District has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the District has restated beginning net position in the government-wide statement of net position to account for the addition of the District's proportionate share of the net pension liability of \$114,231 and deferred outflows for the District's contributions subsequent to the measurement date of \$124,030, which effectively increased the District's net position as of July 1, 2014 by \$9,799.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

CONTINGENCIES

Prior to year end there was litigation filed against the District that alleges the District did not provide adequate services and accommodations for a special needs student. This case was settled during mediation subsequent to year end and the District is required to pay the student's family \$226,000 prior to August 1, 2017. The District maintains insurance for such events and will use such proceeds as well as savings achieved in other areas to cover the cost of the required payment.

FIVE TOWN CSD
Required Supplementary Information

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

2015**

SETP Plan

School District's proportion of the net pension liability	0.0084%
School District's proportionate share of the net pension liability	\$ 90,251
State's proportionate share of the net pension liability associated with the School District	4,422,374
Total	\$ 4,512,625

School District's covered-employee payroll	\$ 4,782,609
School District's proportion share of the net pension liability as a percentage of its covered-employee payroll	1.89%
Plan fiduciary net position as a percentage of of the total pension liability	83.91%

* Only one year of information available

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

FIVE TOWN CSD
Required Supplementary Information, Continued

Schedule of School District Contributions
Maine Public Employees Retirement System State Employee and Teacher Plan (SETP)
 Last 10 Fiscal Years*

	<u>2015</u>	<u>2014</u>
<u>SETP Plan</u>		
Contractually required contribution	\$ 126,739	124,030
Contributions in relation to the contractually required contribution	(126,739)	(124,030)
Contribution deficiency (excess)	\$ -	-
School District's covered-employee payroll	\$ 4,872,609	4,680,371
Contributions as a percentage of covered- Employee payroll	2.65%	2.65%

* Only two years of information available

FIVE TOWN CSD
Notes to Required Supplementary Information

Changes of benefit terms - None

Changes of assumptions - The SETP changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.

COMBINING AND INDIVIDUAL FUND STATEMENTS

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

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

GENERAL FUND

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

**FIVE TOWN CSD
General Fund
Comparative Balance Sheets
June 30, 2015 and 2014**

	2015	2014
ASSETS		
Cash	\$ 227,994	224,994
Investments	1,515,923	1,072,537
Due from other governments	20,282	38,935
Total assets	\$ 1,764,199	1,336,466
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages	957,975	839,385
Accounts payable	134,446	59,953
Interfund payables	914,708	600,566
Total liabilities	2,007,129	1,499,904
Fund balance:		
Assigned	-	-
Unassigned	(242,930)	(163,438)
Total fund balance (deficit)	(242,930)	(163,438)
Total liabilities and fund balance	\$ 1,764,199	1,336,466

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2015
(with comparative actual amounts for June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Camden	\$ 3,745,889	3,745,889	-	3,556,699
Rockport	3,791,583	3,791,583	-	3,540,366
Appleton	425,462	425,462	-	411,202
Hope	571,682	571,682	-	541,863
Lincolntonville	1,619,597	1,622,389	2,792	1,557,377
Total local assessments	10,154,213	10,157,005	2,792	9,607,507
Intergovernmental:				
State allocation	1,195,561	1,192,263	(3,298)	1,281,374
State Agency Client grant	102,554	68,831	(33,723)	111,086
National Board Salary Supplement	-	30,000	30,000	-
Medicaid reimbursement	-	155	155	(1,935)
Total intergovernmental	1,298,115	1,291,249	(6,866)	1,390,525
Charges for services:				
Tuition	65,720	67,442	1,722	50,542
Athletic receipts	11,000	9,817	(1,183)	11,182
Total charges for services	76,720	77,259	539	61,724
Investment income:				
General investment earnings	2,500	1,263	(1,237)	1,025
Total investment income	2,500	1,263	(1,237)	1,025
Other revenues:				
HAL revenue - Curriculum ITS	11,750	(2,903)	(14,653)	5,229
Rentals	17,000	20,280	3,280	20,833
E-Rate revenue	11,000	2,762	(8,238)	3,198
Miscellaneous revenue	10,000	2,477	(7,523)	2,184
Total other revenues	49,750	22,616	(27,134)	31,444
Total revenues	11,581,298	11,549,392	(31,906)	11,092,225

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2015
(with comparative actual amounts for June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Expenditures:				
Current:				
Instruction:				
Instructional services 9-12	\$ 3,983,429	3,971,217	12,212	3,792,883
ESL	24,668	22,819	1,849	8,584
Instructional services - Horizon	47,623	41,856	5,767	75,823
Zenith program	261,179	253,845	7,334	248,357
Total instruction	4,316,899	4,289,737	27,162	4,125,647
Special education programs:				
Instructional services	749,018	754,216	(5,198)	716,793
Administration	91,319	86,227	5,092	92,722
State Agency Client grant	102,554	70,236	32,318	96,900
Total special education programs	942,891	910,679	32,212	906,415
Vocational programs	1,052,640	1,052,640	-	951,488
Other instruction - Extra/co-curricular	399,228	398,967	261	393,659
Student and staff support:				
Guidance 9-12	492,151	478,052	14,099	460,754
Health	88,675	89,391	(716)	85,977
Curriculum development	50,932	44,898	6,034	23,605
Library 9-12	49,208	48,715	493	52,936
Technical services	392,164	339,514	52,650	323,356
Assessment	4,960	4,540	420	2,078
Total student and staff support	1,078,090	1,005,110	72,980	948,706
Administration:				
School Board	65,069	38,049	27,020	48,125
Business Office	121,751	116,872	4,879	116,625
Office of Superintendent	197,504	205,640	(8,136)	194,709
Principal's office and staff	433,361	433,289	72	424,007
Total administration	817,685	793,850	23,835	783,466
Transportation	408,388	382,140	26,248	387,877
Operations and maintenance:				
Operations of building	1,299,646	1,158,437	141,209	1,159,293
Auditorium	61,733	45,816	15,917	44,848
Total operations and maintenance	1,361,379	1,204,253	157,126	1,204,141

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2015
(with comparative actual amounts for June 30, 2014)

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Current, continued:				
Undistributed	\$ 50,000	-	50,000	24,124
Debt service	1,342,918	1,342,918	-	1,385,674
Total expenditures	11,770,118	11,380,294	389,824	11,111,197
Excess (deficiency) of revenues over (under) expenditures	(188,820)	169,098	357,918	(18,972)
Other financing sources (uses):				
Use of fund balance	193,820	-	(193,820)	-
Transfer to capital maintenance fund	-	(75,000)	(75,000)	(38,000)
Transfer to food service	(5,000)	(5,000)	-	(5,000)
Total other financing sources (uses)	188,820	(80,000)	(268,820)	(43,000)
Net change in fund balance - budgetary basis	-	89,098	89,098	(61,972)
Reconciliation to GAAP basis:				
Transfer to capital reserve		(50,000)		(50,000)
Change in accrued teacher summer salaries and accrued hourly payroll		(118,590)		(91,347)
Net change in fund balance		(79,492)		(203,319)
Fund balance (deficit), beginning of year		(163,438)		39,881
Fund balance (deficit), end of year	\$	(242,930)		(163,438)

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

FIVE TOWN CSD
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Adult Education Fund	School Categorical Fund	MaineCare Fund	F1 Visa Fund	Other programs	Total
ASSETS						
Cash	\$ 695	-	-	-	42,061	42,756
Due from other governments	-	102,350	-	-	-	102,350
Interfund receivables	73,014	-	16,820	50,250	236,286	376,370
Total assets	\$ 73,709	102,350	16,820	50,250	278,347	521,476
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued wages	8,418	11,300	-	-	-	19,718
Interfund payables	-	90,839	-	-	-	90,839
Total liabilities	8,418	102,139	-	-	-	110,557
Fund balances:						
Restricted	65,291	211	16,820	50,250	278,347	410,919
Total fund balances	65,291	211	16,820	50,250	278,347	410,919
Total liabilities and fund balances	\$ 73,709	102,350	16,820	50,250	278,347	521,476

FIVE TOWN CSD
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2015

	Adult Education Fund	School Categorical Fund	MaineCare Fund	F1 Visa Fund	Other programs	Totals
Revenues:						
Local assessments	\$ 207,264	-	-	-	-	207,264
Intergovernmental	84,830	329,431	-	-	-	414,261
Charges for services	51,163	-	-	42,631	-	93,794
Investment income	-	-	-	-	1,841	1,841
Other income	15,190	-	-	-	228,523	243,713
Total revenues	358,447	329,431	-	42,631	230,364	960,873
Expenditures:						
Current:						
Recreation - cultural	-	-	-	-	153,633	153,633
Education	378,358	323,778	-	72,901	62,053	837,090
Total expenditures	378,358	323,778	-	72,901	215,686	990,723
Net change in fund balance - budgetary basis	(19,911)	5,653	-	(30,270)	14,678	(29,850)
Reconciliation to GAAP basis:						
Change in accrued payroll	(181)	(831)	-	-	1,400	388
Net change in fund balance	(20,092)	4,822	-	(30,270)	16,078	(29,462)
Fund balances (deficit), beginning of year	85,383	(4,611)	16,820	80,520	262,269	440,381
Fund balances, end of year	\$ 65,291	211	16,820	50,250	278,347	410,919

FIVE TOWN CSD
School Categorical and Other Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2015

	Fund balances beginning of year	Program revenues			Transfers	Program expenditures	Fund balances (deficits) end of year
		Federal	State	Other			
Federal and state programs:							
Title IIA	\$	19,585	-	-	-	19,585	-
Title IA *	-	81,243	-	-	-	81,243	-
Title VI	-	13,512	-	-	-	13,512	-
Local Entitlement *	-	171,750	-	-	-	171,750	-
AEFLA Grant	-	23,205	-	-	-	23,205	-
Proficiency Grant	5,858	-	8,836	-	-	14,483	211
Total federal and state programs	5,858	309,295	8,836	-	-	323,778	211
Other programs:							
EE Reduction benefits	2,363	-	-	24,346	-	25,697	1,012
Board Member donation	231	-	-	-	-	-	231
Bisbee Sport Fund	46,578	-	-	67,962	-	42,551	71,989
Bisbee Washington Fund	687	-	-	114,450	-	111,082	4,055
MBNA Fund	57,411	-	-	1,753	-	4,074	55,090
MELMAC Grant	1,960	-	-	-	-	1,964	(4)
R. Clark Bequest	52,037	-	-	71	-	-	52,108
Emily Hall	30,282	-	-	17	-	-	30,299
Carl & Stella Hopkins Fund	5,227	-	-	3	-	-	5,230
Zenith McLean	350	-	-	300	-	572	78
Zenith Homeless	20,920	-	-	-	-	-	20,920
Zenith Housing	19,966	-	-	28	-	-	19,994
Zenith Greenhouse	1,000	-	-	-	-	-	1,000
Nurse Grant SLVC	552	-	-	-	-	-	552
MLTI protection plan	22,373	-	-	21,434	-	29,746	14,061
Windplanners Donations	1,732	-	-	-	-	-	1,732
Total other programs	263,669	-	-	230,364	-	215,686	278,347
Total	\$ 269,527	309,295	8,836	230,364	-	539,464	278,558

* Program revenues and expenditures vary from Exhibit B-2 as a result of accrued payroll liabilities and related receivables, which are not considered under the budgetary basis of accounting reflected above.

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the District in a trustee or agent capacity. These include Private-Purpose Trust Funds and Agency Funds.

FIVE TOWN CSD
Fiduciary Funds - Scholarship Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2015

	Balances beginning of year	Additions		Deductions	Balances end of year
		Interest earned	Contributions and other receipts		
Private-purpose trust funds:					
Scholarship Funds:					
Alfred Litzermman Memorial Scholarship	\$ 3,184	11	-	500	2,695
Amelia Bucholz Scholarship	1,133	4	-	500	637
Appleton H.S. Alumni Association	26,431	88	320	1,000	25,839
B. G. Gushee Scholarship	4,867	16	-	-	4,883
Basil Arau Scholarship	12,904	43	-	-	12,947
Billy Williams	1,000	-	-	1,000	-
A. Mosher Bradford Scholarship	2,863	10	-	-	2,873
Camden Rotary	1,098	4	-	-	1,102
Carelton Wood	214	1	-	-	215
Chickawaukee	708	2	-	-	710
David Eaton Scholarship	5,501	18	-	500	5,019
Sarah Doubleday	-	-	7,150	-	7,150
Emma M. Brewster Scholarship	368	1	-	-	369
Ernest Earl Mahoney Scholarship	4,754	16	-	-	4,770
Eugene T. Pitney Scholarship	1,081	4	-	-	1,085
Florence Kimball Fine Arts Scholarship	4,932	17	-	250	4,699
Forest Priestly Memorial	-	-	2,685	-	2,685
Harold Tribou	1,932	6	-	-	1,938
Ken & Prudence Dickey Bus	-	-	210,050	-	210,050
Leforest Doucette	1,021	3	-	-	1,024
Linwood Thorndike	-	-	490	-	490
Lincolnville Central School	1,000	-	1,000	750	1,250
Marcia A. Brown Scholarship	(3)	-	-	-	(3)
MELMAC Education	-	-	1,500	1,500	-
Megunticook Fish & Game	282	1	-	-	283
Miscellaneous	6,706	22	-	-	6,728
Nancy Crawford	6,005	20	-	6,000	25
Olive Coates Trust	48,640	163	28,433	30,050	47,186
Polson - Back to school	459	2	-	-	461
RC Gushee	2,851	10	-	-	2,861
Reny Charitable	2,493	8	2,000	1,000	3,501
Richard Sorenson	188	1	-	-	189
Roberta G. Babb Scholarship	298	1	-	300	(1)
Sarah Hunter Memorial Scholarship	8,912	30	-	-	8,942
Senior Class	338	-	-	-	338
Simel Education Trust	90,467	303	-	-	90,770
Startton Memorial	32	-	-	100	(68)
T.W. Williams Scholarship	29,678	99	-	900	28,877
Timothy Crockett Scholarship	30,651	103	-	500	30,254
West Bay Rotary	1,015	3	-	-	1,018
Total private-purpose trusts	\$ 304,003	1,010	253,628	44,850	513,791

FIVE TOWN CSD
Agency Fund - High School Activity Funds
Statement of Cash Receipts, Disbursements and Changes in Balances
For the year ended June 30, 2015

	Balances beginning of year	Additions	Deductions	Balances end of year
AP	\$ 2,615	17,420	16,101	3,934
Amnesty International	431	98	80	449
Anime Club	-	174	54	120
Art Club	40	-	-	40
Athletic Account	2,182	2,283	2,147	2,318
Alpine Ski	224	9,353	7,967	1,610
Band	646	3,539	3,030	1,155
Baseball-Softball Boosters	261	-	-	261
Basketball Boosters	56	-	33	23
Bleacher Project	104,184	52,878	143,599	13,463
Botany	1,953	2,276	1,527	2,702
Captains Council	999	-	91	908
Chorus	1,321	4,329	4,151	1,499
Civil Rights	2,255	-	-	2,255
Class of 2004	2,882	-	2,882	-
Class of 2005	1,118	-	-	1,118
Class of 2006	1,054	-	-	1,054
Class of 2007	1,110	-	-	1,110
Class of 2008	2,864	-	-	2,864
Class of 2009	1,655	100	-	1,755
Class of 2010	1,586	-	-	1,586
Class of 2011	1,926	-	-	1,926
Class of 2012	1,542	-	-	1,542
Class of 2013	1,023	-	-	1,023
Class of 2014	32	336	368	-
Class of 2015	6,970	9,051	12,358	3,663
Class of 2016	3,561	7,297	2,702	8,156
Class of 2017	1,153	816	-	1,969
Class of 2018	-	700	-	700
Class of 2019	-	200	-	200
Coffee	15	1,512	1,527	-
Community Fund	457	-	63	394
Consumer science	15	-	-	15
Crew	202	-	-	202
Digital film	674	-	-	674
Doc Littlefield	874	-	-	874
Drama	1,767	8,289	6,265	3,791
Dramafest	-	32,465	28,338	4,127
Earth Vision	759	-	-	759
Electrathon	200	-	-	200
Empty Bowl	349	2,531	2,100	780
FCA	164	505	-	669
Field Hockey	1,341	1,481	750	2,072
Football boosters	335	2,717	700	2,352
Gamers Guild	-	65	-	65
General	682	3,734	3,786	630
Golf	8	111	111	8
Ice hockey	78	-	-	78
Interest	1	-	1	-
Subtotal	\$ 153,564	164,260	240,731	77,093

FIVE TOWN CSD
Agency Fund - High School Activity Funds
Statement of Cash Receipts, Disbursements and Changes in Balances, Continued

		Balances beginning of year	Additions	Deductions	Balances end of year
IA	\$	3,334	75	-	3,409
Jewelry		250	922	1,060	112
Kiva Club		-	277	-	277
Lacrosse Boosters		151	-	-	151
Laptop Fund		125	19,674	19,499	300
Latin Club		-	4,034	3,932	102
Liberian Education Fund		1,860	2,894	2,544	2,210
Library		747	44	-	791
Life Skills		2,292	1,478	975	2,795
Mountain biking		24	-	-	24
MPA		478	-	478	-
Musicals		6,809	40,850	32,056	15,603
Nordic Ski Team		5,669	12,314	11,847	6,136
NHS		1,313	2,465	2,470	1,308
Outing Club		200	-	-	200
PALS		234	-	25	209
Pathways		313	-	-	313
Peers		2	-	-	2
Pep Band		487	-	-	487
Photography		628	-	-	628
Physics		338	1,170	1,100	408
Principal's Fund		2,211	1,538	1,607	2,142
Project Fund		3,064	5	281	2,788
Sailing		255	10	246	19
School Store		921	1,047	775	1,193
Senior banquet		3,541	8,954	9,939	2,556
Soccer Boosters		4,691	8,837	6,760	6,768
Student Camp		4,727	6,524	6,224	5,027
Student Council		532	107	190	449
Student Trips		30,428	289,606	262,831	57,203
Sunshine Club		194	920	1,114	-
Swim Team		557	-	-	557
Tennis team		151	-	-	151
Track Team		1,910	1,853	1,904	1,859
Washington Trip		15,434	20,930	32,200	4,164
Wellness Program		5,394	4,335	6,215	3,514
Windplanners		3,293	-	160	3,133
Windsong		441	-	-	441
X-Country		619	5,478	2,691	3,406
Yearbook		511	15,682	13,472	2,721
Zenith		2,198	450	629	2,019
Totals	\$	259,890	616,733	663,955	212,668

FIVE TOWN CSD
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA number	Pass- through grantor's number	Program or award amount	Balance at June 30, 2014	Revenue recognized			Expenditures		Balance at June 30, 2015
					Federal	Other	Transfers	Federal	Other	
U. S. Department of Education, Passed through the Maine Department of Education:										
Adult Education and Family Literacy Act	84.002	N/A	\$ 23,205	-	23,205	-	-	23,205	-	-
Title IA	84.010	3057	83,394	-	81,243	-	-	81,243	-	-
Special Education - Grants to States	84.027	3046	181,844	-	171,750	-	-	171,750	-	-
Improving Teacher Quality	84.367	3042	19,585	-	19,585	-	-	19,585	-	-
Title VI - Rural Low Income	84.358	3005	13,512	-	13,512	-	-	13,512	-	-
Total U. S. Department of Education				-	309,295	-	-	309,295	-	-
U. S. Department of Agriculture, Passed through the Maine Department of Education:										
National School Lunch Program - Subsidized Hot Lunch	10.555	N/A	N/A	(3,534)	75,344	301,377	5,000	75,344	313,347	(10,504)
National School Lunch Program - Donated Commodities	10.555	N/A	N/A	-	16,309	-	-	16,309	-	-
Breakfast Program	10.553	N/A	N/A	-	14,922	537	-	14,922	537	-
Total U. S. Department of Agriculture				(3,534)	106,575	301,914	5,000	106,575	313,884	(10,504)
Totals				\$ (3,534)	415,870	301,914	5,000	415,870	313,884	(10,504)