

Federal Compliance Audit

Regional School Unit No. 13

June 30, 2021



Proven Expertise & Integrity

REGIONAL SCHOOL UNIT NO. 13

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JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Regional School Unit No. 13
Rockland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 13, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Regional School Unit No. 13'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.

Auditors' 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 of material misstatement.

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

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 13 as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 4 through 11 and 65 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 13's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related 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 Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules 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 our report dated February 21, 2022, on our consideration of Regional School Unit No. 13's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional School Unit No. 13's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
February 21, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

(UNAUDITED)

The following management's discussion and analysis of Regional School Unit No. 13's financial performance provides an overview of the Unit's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Unit's financial statements.

Financial Statement Overview

Regional School Unit No. 13's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Unit's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Unit's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the Unit's activities. The type of activity presented for the Unit is:

- *Governmental activities* - The activities in this section are mostly supported by support from the Towns and intergovernmental revenues (federal and state grants). All of the Unit's basic services are reported in governmental activities, which include instruction, special education, career and technical, other instructional, student and staff support, system administration, school administration, transportation, facilities and program expenses.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Unit, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Unit can be classified as governmental funds.

Governmental funds: All of the basic services provided by the Unit are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Unit's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Unit.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Unit presents three columns in the governmental funds balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Unit's major governmental funds are the general fund and the school of our future fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Unit legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions - Pension, a Schedule of Proportionate Share of the Net OPEB Liability - SET Plan, a Schedule of Contributions - OPEB - SET Plan, a Schedule of Changes in Net OPEB Liability - MEABT Plan, Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan, Schedule of Contributions - OPEB - MEABT Plan and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Unit's governmental activities. The Unit's total net position for governmental activities increased by \$3,686,557 from \$2,587,598 to a balance of \$6,274,155 at year end.

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 - for the governmental activities increased to a deficit balance of \$9,454,866 at the end of the fiscal year.

Table 1
Regional School Unit No. 13
Net Position
June 30,

	2021	2020 (Restated)
Assets:		
Current Assets	\$ 5,841,617	\$ 7,205,082
Noncurrent Assets - Capital Assets	41,722,487	42,742,684
Total Assets	47,564,104	49,947,766
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	724,230	677,357
Deferred Outflows Related to OPEB	676,205	647,350
Total Deferred Outflows of Resources	1,400,435	1,324,707
Liabilities:		
Current Liabilities	7,462,087	10,854,849
Noncurrent Liabilities	34,903,224	37,491,224
Total Liabilities	42,365,311	48,346,073
Deferred Inflows of Resources:		
Deferred Inflows Related to Pensions	149,060	159,388
Deferred Inflows Related to OPEB	176,013	179,414
Total Deferred Inflows of Resources	325,073	338,802
Net Position:		
Net Investment in Capital Assets	13,129,688	12,129,778
Restricted	2,599,333	2,338,009
Unrestricted (Deficit)	(9,454,866)	(11,880,189)
Total Net Position	\$ 6,274,155	\$ 2,587,598

Table 2
Regional School Unit No. 13
Change in Net Position
For The Years Ended June 30,

	<u>2021</u>	<u>2020</u>
Revenues:		
<i>Program Revenues:</i>		
Charges for services	\$ 467,795	\$ 634,121
Operating grants and contributions	10,005,273	7,525,211
<i>General Revenues:</i>		
Support from towns	26,013,866	26,012,248
Grants and contributions not restricted to specific programs	5,808,296	4,554,451
Miscellaneous	601,071	214,973
Total Revenues	<u>42,896,301</u>	<u>38,941,004</u>
Expenses:		
Instruction	11,194,408	11,531,608
Special education	7,075,969	7,151,656
Career and technical	59,571	43,809
Other instructional	383,728	454,121
Student and staff support	2,533,797	2,453,811
System administration	812,686	754,972
School administration	1,528,502	1,575,530
Transportation	1,545,084	1,606,889
Facilities	3,288,763	3,486,614
Interest on long-term debt	982,187	1,043,580
Capital outlay	480,142	42,424
Change in accrued compensated absences	(74,255)	13,904
State of Maine on-behalf payments	4,453,797	4,748,221
Program expenses	4,945,365	3,292,804
Total Expenses	<u>39,209,744</u>	<u>38,199,943</u>
Change in Net Position	3,686,557	741,061
Net Position - July 1, Restated	<u>2,587,598</u>	<u>1,846,537</u>
Net Position - June 30	<u>\$ 6,274,155</u>	<u>\$ 2,587,598</u>

Revenues and Expenses

Revenues for the Unit's governmental activities increased by 10.16%, while total expenses increased by 2.64%. Nearly all of the Unit's revenue categories increased with the exception of charges for services. The largest increases in expenditures occurred in the following categories: capital outlay and program expenses.

Financial Analysis of the Unit's Fund Statements

Governmental funds: The financial reporting focus of the Unit's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Unit's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Regional School Unit No. 13
Fund Balances - Governmental Funds
June 30,

	2021	2020 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 775	\$ 6,640	\$ (5,865)
Unassigned	(2,113,634)	(3,950,568)	1,836,934
School of Our Future:			
Restricted	35,156	96,546	(61,390)
Total Major Funds	\$ (2,077,703)	\$ (3,847,382)	\$ 1,769,679
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 51,693	\$ 26,785	\$ 24,908
Restricted	62,699	62,313	386
Committed	4,948	8,143	(3,195)
Assigned	190,346	206,210	(15,864)
Unassigned	(342,569)	(223,644)	(118,925)
Capital Projects Funds:			
Restricted	44,552	69,771	(25,219)
Permanent Funds:			
Restricted	2,456,926	2,109,379	347,547
Total Nonmajor Funds	\$ 2,468,595	\$ 2,258,957	\$ 209,638

The changes to total fund balances of the general fund, school of our future and the aggregate nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

There was no difference between the total original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$287,631. This was the result of all revenue categories being receipted in excess of budgeted amounts with the exception of charges for services and interest income.

The general fund actual expenditures were under budgeted amounts by \$1,543,438. This was the result of all expenditure categories being expended within or under budgeted amounts.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2021, the net book value of capital assets recorded by the Unit decreased by \$1,020,197 from the prior fiscal year. This decrease was due to capital additions of \$798,840 less current year depreciation expense of \$1,819,037.

**Table 4
Regional School Unit No. 13
Capital Assets (Net of Depreciation)
June 30,**

	2021	2020
Land, artwork and construction in progress	\$ 159,140	\$ 159,140
Land improvements, buildings and building improvements	32,566,929	33,517,525
Machinery, equipment and vehicles	8,996,418	9,066,019
Total	\$ 41,722,487	\$ 42,742,684

Debt

At June 30, 2021, the Unit had \$28,681,973 in bonds, bond premiums and notes from direct borrowings outstanding versus \$30,702,080 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Unit. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Unit.

The Unit has also noted a subsequent event as a currently known fact. Refer to Note 24 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The FY 2021 budget saw a modest increase in expenditures of 2.9%, with revenue support from Towns increasing approximately 2.6% and state subsidy revenue increasing of 25.4%.

Contacting the Unit's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Unit's finances and to show the Unit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Unit's Finance Department at 28 Lincoln Street, Rockland, Maine 04841.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 483,999
Investments	2,297,502
Accounts receivable (net of allowance for uncollectibles)	135,212
Due from other governments	2,872,436
Inventory	43,643
Prepaid items	8,825
Total current assets	<u>5,841,617</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	159,140
Depreciable assets, net of accumulated depreciation	<u>41,563,347</u>
Total noncurrent assets	<u>41,722,487</u>
TOTAL ASSETS	<u>47,564,104</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	724,230
Deferred outflows related to OPEB	<u>676,205</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,400,435</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 48,964,539</u></u>

STATEMENT A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 2,660,699
Accrued payroll and benefits	2,790,026
Current portion of long-term obligations	<u>2,011,362</u>
Total current liabilities	<u>7,462,087</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	18,567,412
Bond premiums payable	1,393,083
Notes from direct borrowings payable	6,733,658
Accrued compensated absences	222,767
Net pension liability	655,986
Net OPEB liability	<u>7,330,318</u>
Total noncurrent liabilities	<u>34,903,224</u>
TOTAL LIABILITIES	<u>42,365,311</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	149,060
Deferred inflows related to OPEB	<u>176,013</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>325,073</u>
NET POSITION	
Net investment in capital assets	13,129,688
Restricted	2,599,333
Unrestricted (deficit)	<u>(9,454,866)</u>
TOTAL NET POSITION	<u>6,274,155</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 48,964,539</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
Instruction	\$ 11,194,408	\$ 446,913	\$ -	\$ -	\$ (10,747,495)
Special education	7,075,969	-	-	-	(7,075,969)
Career and technical	59,571	-	-	-	(59,571)
Other instructional	383,728	-	-	-	(383,728)
Student and staff support	2,533,797	-	-	-	(2,533,797)
System administration	812,686	-	-	-	(812,686)
School administration	1,528,502	-	-	-	(1,528,502)
Transportation	1,545,084	-	-	-	(1,545,084)
Facilities	3,288,763	-	-	-	(3,288,763)
Interest on long-term debt	982,187	-	-	-	(982,187)
Capital outlay	480,142	-	-	-	(480,142)
Change in accrued compensated absences	(74,255)	-	-	-	74,255
State of Maine on-behalf payments	4,453,797	-	4,453,797	-	-
Program expenses	4,945,365	20,882	5,551,476	-	626,993
Total government	<u>\$ 39,209,744</u>	<u>\$ 467,795</u>	<u>\$ 10,005,273</u>	<u>\$ -</u>	<u>(28,736,676)</u>

STATEMENT B (CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(28,736,676)
General revenues:	
Support from towns	26,013,866
Grants and contributions not restricted to specific programs	5,808,296
Miscellaneous	601,071
Total general revenues	32,423,233
Change in net position	3,686,557
NET POSITION - JULY 1, RESTATED	2,587,598
NET POSITION - JUNE 30	\$ 6,274,155

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	School of Our Future	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,376	\$ 113,890	\$ 355,733	\$ 483,999
Investments	-	-	2,297,502	2,297,502
Accounts receivable (net of allowance for uncollectibles)	61,825	-	73,387	135,212
Due from other governments	1,148,092	-	1,724,344	2,872,436
Inventory	-	-	43,643	43,643
Prepaid items	775	-	8,050	8,825
Due from other funds	1,772,579	288	109,867	1,882,734
TOTAL ASSETS	<u>\$ 2,997,647</u>	<u>\$ 114,178</u>	<u>\$ 4,612,526</u>	<u>\$ 7,724,351</u>
LIABILITIES				
Accounts payable	\$ 2,246,870	\$ 79,022	\$ 334,807	\$ 2,660,699
Accrued expenses	2,753,481	-	36,545	2,790,026
Due to other funds	110,155	-	1,772,579	1,882,734
TOTAL LIABILITIES	<u>5,110,506</u>	<u>79,022</u>	<u>2,143,931</u>	<u>7,333,459</u>
FUND BALANCES (DEFICITS)				
Nonspendable	775	-	51,693	52,468
Restricted	-	35,156	2,564,177	2,599,333
Committed	-	-	4,948	4,948
Assigned	-	-	190,346	190,346
Unassigned	(2,113,634)	-	(342,569)	(2,456,203)
TOTAL FUND BALANCES (DEFICITS)	<u>(2,112,859)</u>	<u>35,156</u>	<u>2,468,595</u>	<u>390,892</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,997,647</u>	<u>\$ 114,178</u>	<u>\$ 4,612,526</u>	<u>\$ 7,724,351</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 390,892
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, net of accumulated depreciation	41,722,487
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	724,230
OPEB	676,205
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(19,882,231)
Bond premiums payable	(1,482,257)
Notes from direct borrowings payable	(7,317,485)
Accrued compensated absences	(246,309)
Net pension liability	(655,986)
Net OPEB liability	(7,330,318)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
Pension	(149,060)
OPEB	<u>(176,013)</u>
Net position of governmental activities	<u>\$ 6,274,155</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

REGIONAL SCHOOL UNIT NO. 13

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	School of Our Future	Other Governmental Funds	Total Governmental Funds
REVENUES				
Support from towns	\$ 26,013,866	\$ -	\$ -	\$ 26,013,866
Intergovernmental revenues	7,849,908	-	5,551,476	13,401,384
Charges for services	446,913	-	20,882	467,795
Miscellaneous	113,201	170	487,700	601,071
TOTAL REVENUES	34,423,888	170	6,060,058	40,484,116
EXPENDITURES				
Current:				
Instruction	10,860,642	-	-	10,860,642
Special education	7,075,969	-	-	7,075,969
Career and technical	59,571	-	-	59,571
Other instructional	383,728	-	-	383,728
Student and staff support	2,533,797	-	-	2,533,797
System administration	812,686	-	-	812,686
School administration	1,494,820	-	-	1,494,820
Transportation	1,430,080	-	-	1,430,080
Facilities	3,083,412	-	-	3,083,412
State of Maine on-behalf payments	2,041,612	-	-	2,041,612
Program expenses	-	61,560	4,871,083	4,932,643
Capital outlay	-	-	1,278,982	1,278,982
Debt service:				
Principal	1,534,670	-	-	1,534,670
Interest	982,187	-	-	982,187
TOTAL EXPENDITURES	32,293,174	61,560	6,150,065	38,504,799
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,130,714	(61,390)	(90,007)	1,979,317
OTHER FINANCING SOURCES (USES)				
Transfers in	355	-	482,452	482,807
Transfers (out)	(300,000)	-	(182,807)	(482,807)
TOTAL OTHER FINANCING SOURCES (USES)	(299,645)	-	299,645	-
NET CHANGE IN FUND BALANCES (DEFICITS)	1,831,069	(61,390)	209,638	1,979,317
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	(3,943,928)	96,546	2,258,957	(1,588,425)
FUND BALANCES (DEFICITS) - JUNE 30	\$ (2,112,859)	\$ 35,156	\$ 2,468,595	\$ 390,892

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

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, 2021

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,979,317</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	798,840
Depreciation expense	<u>(1,819,037)</u>
	<u>(1,020,197)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	46,873
OPEB	<u>28,855</u>
	<u>75,728</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	
	<u>1,930,933</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	10,328
OPEB	<u>3,401</u>
	<u>13,729</u>
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:	
Bond premiums payable	89,174
Accrued compensated absences	74,255
Net pension liability	109,714
Net OPEB liability	<u>433,904</u>
	<u>707,047</u>
Change in net position of governmental activities (Statement B)	<u>\$ 3,686,557</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Regional School Unit No. 13 was incorporated under the laws of the State of Maine. The Unit operates under a board of directors-superintendent form of government and provides the following services: instruction, special education, career and technical, other instructional, student and staff support, system administration, school administration, transportation, facilities and program expenses.

The Unit's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Unit's combined financial statements include all accounts and all operations of the Unit. We have determined that the Unit has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

The Unit utilized in-person learning as the primary method of instruction for this school year. However, it should be noted that many programs could not be fully executed due to COVID-related restrictions that occurred either throughout the entire year or periodically which resulted in the under-expenditures of some cost centers in the budget.

Impact on Finances

The Unit does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act, American Rescue Plan Act ("ARPA") Act funding and applicable State programs.

Expected Federal/State Support

The Unit may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Unit expects that if those actions are necessary, that the Unit would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Unit, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Unit. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Unit.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Standards

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined that a restatement is required due to the impact of this Statement.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No 93 “Replacement of Interbank Offered Rates (paragraphs 4-11a).” The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Unit’s basic financial statements include both government-wide (reporting the Unit as a whole) and fund financial statements (reporting the Unit’s major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. All activities of the Unit are categorized as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Unit's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Unit first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Unit’s functions (instruction, operations and maintenance, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (support from towns, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Unit does not allocate indirect costs. All costs are charged directly to the corresponding department.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Unit are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Unit:

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the Unit. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The School for Our Future Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The primary revenue source for this fund is bond proceeds.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- e. Permanent Funds are used to account for assets held by the Unit that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Unit or its citizenry. The Unit's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Unit's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Reporting for Certain Grants and Other Financial Assistance*, payments made by the State of Maine to the Maine State Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund.

Revenues per budgetary basis	\$ 32,382,631
Add: On-behalf payments	2,041,612
Total GAAP basis	<u>\$ 34,424,243</u>
Expenditures per budgetary basis	\$ 30,551,562
Add: On-behalf payments	2,041,612
Total GAAP basis	<u>\$ 32,593,174</u>

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the first half of the year the Unit prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Unit was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Unit.

Deposits and Investments

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

It is the Unit's policy to value investments at fair value. None of the Unit's investments are reported at amortized cost. The Unit Treasurer is authorized by State Statutes to invest all excess funds in the following:

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Unit has no formal investment policy but instead follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$192,370 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$3,007,648 for the year ended June 30, 2021.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method). Inventory of the Unit consists of school nutrition supplies and food on hand at the end of the year.

Prepaid Items

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Art work depicting an elephant, a whale, a giraffe, a seal and an alligator with a value of \$1,000 each and three William Thorne paintings valued at \$5,000 each have been capitalized as art work. These items are categorized as non-depreciable assets as they are considered inexhaustible.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, bond premium payable, notes from direct borrowings payable, accrued compensated absences, net pension liability and net OPEB liability.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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 State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET 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.

OPEB

For purposes of measuring the Unit's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Education Association Benefits Trust (MEABT), which determined the School's fiduciary net position as a single employer defined benefit plan based on information provided solely by MEABT to complete the actuarial report. Additions to/deductions from the MEABT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MEABT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Unit or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Unit is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Unit. The inhabitants of the Unit through Unit meetings are the highest level of decision-making authority of the Unit. Commitments may be established, modified or rescinded only through a Unit meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Board of Directors.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Unit considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Unit considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Unit meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The Unit has two types of this item, deferred outflows related to pensions and deferred outflows related to OPEB. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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 so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows related to pensions and deferred inflows related to OPEB qualify for reporting in this category. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. While the Unit does utilize encumbrance accounting for its general fund, encumbrances outstanding at June 30, 2021 lapse and are reappropriated and/or reencumbered as part of the subsequent year's budget. The Unit had no material encumbrances outstanding at June 30, 2021.

Use of Estimates

During the preparation of the Unit's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Unit's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Unit funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unit will not be able to recover its deposits. The Unit does not have a policy covering custodial credit risk for deposits. However, the Unit maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2021, the Unit's deposits and cash equivalents amounting to \$483,999 were comprised of bank deposits and cash equivalents of \$4,987,754. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Unit's cash and cash equivalents balance. Of these bank deposits and cash equivalents, \$4,903,452 was insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$84,302 were uninsured and uncollateralized.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Account Type	Bank Balance
Checking accounts	\$ 8,584
NOW checking accounts	330,798
ICS account	4,508,229
Savings accounts	51,746
Cash and cash equivalents	88,397
	<u>\$ 4,987,754</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Unit will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Unit does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Unit does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$69,857 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

At June 30, 2021, the Unit's certificates of deposit of \$69,857 were fully insured by federal depository insurance and thus not exposed to custodial credit risk. Of the Unit's remaining investments of \$2,227,645, \$1,000,000 was covered by the Securities Investor Protection Corporation (SIPC), \$801,793 were registered in the Unit's name and consequently were not exposed to custodial credit risk and \$425,852 was uninsured and uncollateralized.

Investment Type	Fair Value	N/A	Less than 1 Year	1-5 Years	Over 5 Years
Debt securities:					
Corporate bonds	\$ 827,201	\$ -	\$ 744,582	\$ 82,619	\$ -
Equity securities:					
Common stock - domestic	801,793	801,793	-	-	-
Mutual funds:					
Equities	598,651	598,651	-	-	-
	<u>\$ 2,227,645</u>	<u>\$ 1,400,444</u>	<u>\$ 744,582</u>	<u>\$ 82,619</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Hierarchy

The Unit categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Unit has the following recurring fair value measurements as June 30, 2021:

	June 30, 2021 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
Corporate bonds	\$ 827,201	\$ -	\$ 827,201	\$ -
Total debt securities	827,201	-	827,201	-
Equity securities:				
Common stock - domestic	801,793	801,793	-	-
Mutual funds - domestic and foreign	598,651	598,651	-	-
Total equity securities	1,400,444	1,400,444	-	-
Total investments by fair value level	\$ 2,227,645	\$ 1,400,444	\$ 827,201	\$ -

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Unit has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2021 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$69,857 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk - Statutes for the State of Maine authorize the Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Unit does not have an investment policy on credit risk. Generally, the Unit invests excess funds in repurchase agreements, savings accounts and various insured

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

certificates of deposit. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. As of June 30, 2021, the Unit's investments in corporate bonds were rated AAA (\$432,184) and A (\$312,398) by Standard & Poor's Rating Service.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 1,772,579	\$ 110,155
School of Our Future	288	-
Nonmajor Special Revenue Funds	69,652	1,772,579
Nonmajor Capital Projects Funds	37,107	-
Nonmajor Permanent Funds	3,108	-
	<u>\$ 1,882,734</u>	<u>\$ 1,882,734</u>

The results of amounts owed between funds are considered to be in the course of normal operations by the Unit. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2021 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 300,000	\$ 355
Nonmajor Special Revenue Funds	182,807	478,452
	<u>\$ 482,807</u>	<u>\$ 482,807</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21
Non-depreciated assets:				
Land	\$ 139,140	\$ -	\$ -	\$ 139,140
Art work	20,000	-	-	20,000
	<u>159,140</u>	<u>-</u>	<u>-</u>	<u>159,140</u>
Depreciated assets:				
Land improvements	795,276	-	-	795,276
Buildings and improvements	40,964,928	20,800	-	40,985,728
Machinery and equipment	13,124,711	177,385	-	13,302,096
Vehicles	1,355,764	600,655	-	1,956,419
	<u>56,240,679</u>	<u>798,840</u>	<u>-</u>	<u>57,039,519</u>
Less: accumulated depreciation	<u>(13,657,135)</u>	<u>(1,819,037)</u>	<u>-</u>	<u>(15,476,172)</u>
	<u>42,583,544</u>	<u>(1,020,197)</u>	<u>-</u>	<u>41,563,347</u>
Net capital assets	<u>\$ 42,742,684</u>	<u>\$ (1,020,197)</u>	<u>\$ -</u>	<u>\$ 41,722,487</u>
Current Year Depreciation:				
Regular education				\$ 1,452,278
Maintenance and operations				205,351
Transportation				115,004
Administration				33,682
School lunch				12,722
Total depreciation expense				<u>\$ 1,819,037</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT

The General Fund of the Unit is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 7/1/20	Additions	Reductions	Balance, 6/30/21	Due Within One Year
Bonds payable	\$ 21,197,050	\$ -	\$ (1,314,819)	\$ 19,882,231	\$ 1,314,819
Bond premiums payable	1,571,431	-	(89,174)	1,482,257	89,174
Notes from direct borrowings payable	7,933,599	-	(616,114)	7,317,485	583,827
	<u>\$ 30,702,080</u>	<u>\$ -</u>	<u>\$ (2,020,107)</u>	<u>\$ 28,681,973</u>	<u>\$ 1,987,820</u>

The following is a summary of bonds outstanding as of June 30, 2021:

\$2,225,000, 2002 General Obligation bond due in annual principal installments of \$111,250 through November 2021. The fixed interest rate varies from 3.048% to 5.423% per annum.	\$ 111,250
\$500,000, 2013 General Obligation bond due in annual principal installments of \$50,000 through November 2023. The fixed interest rate varies from 0.600% to 2.380% per annum.	150,000
\$8,100,000, 2017 General Obligation Bond Series A with principal payments of \$405,000 due in April and October through October 2037. The fixed interest rate varies from 3% to 5% per annum.	6,885,000
\$13,125,000, 2017 General Obligation Bond Series B with principal payments ranging from \$655,000 to \$660,000 due in October through October 2038. The fixed interest rate varies from 3% to 5% per annum.	11,815,000
\$798,000, 2017 QZAB Bond with principal payments of \$53,200 due on September 15 through September 2032, the interest rate is fixed at 0% per annum.	638,400
\$403,688, 2017 SRRF Bond with a \$40,369 principal payment due in July through 2027. The interest rate is fixed at 0% per annum.	<u>282,581</u>
Total bonds payable	<u>\$ 19,882,231</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

A following is a summary of the outstanding notes from direct borrowings payable as of June 30, 2021:

Series 2016 lease revenue custodial receipt - \$8,020,000 payable to Huntington National Bank. Due in varying annual principal amounts of \$325,000 to \$55,000 through June 2036. Interest is charged at a fixed rate varying from 2.55% to 4.00% per annum.	\$ 6,660,000
New playground equipment - \$165,607, 2016 Capital lease payable to Gorham Leasing Group, LLC. Due in annual installments of \$26,154 through October 2022. Interest is charged at a fixed rate of 3.43% per annum.	49,736
Boiler - \$142,508, 2017 Capital lease payable to Androscoggin Bank. Due in annual installments of \$11,195 through February 2033. Interest is charged at a fixed rate of 3.91% per annum.	105,613
Three (3) Dodge Grand caravans - \$68,289, 2018 Capital lease payable to Androscoggin Bank. Due in annual installments of \$14,627 through February 2023. Interest is charged at a fixed rate of 3.55% per annum.	13,859
Four (4) 54-passenger buses - \$360,000, 2018 Capital lease payable to City National Capital Finance Inc. Due in annual installments of \$76,318 through July 2022. Interest is charged at a fixed rate of 3.00% per annum.	146,032
Fifty (50) copiers - \$170,000, 2018 Capital lease payable to City National Capital Finance, Inc. Due in annual installments of \$30,568 through July 2023. Interest is charged at a fixed rate of 3.14% per annum.	86,231
VOIP Phone System - \$100,000, 2018 Capital lease payable to City National Capital Finance Inc. Due in annual installments of \$15,670 through July 2024. Interest is charged at a fixed rate of 3.20% per annum.	57,971

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Boardroom video equipment - \$92,111, 2019 Capital lease payable to Gorham Leasing Group, LLC. Due in annual installments of \$24,296 through June 2022. Interest is charged at a fixed rate of 3.53% per annum. 23,467

Fiber optic and network equipment upgrade - \$300,000, 2019 Capital lease payable to Gorham Leasing Group, LLC. Due in annual installments of \$47,607 through June 2025. Interest is charged at a fixed rate of 3.57% per annum. 174,576

Total notes from direct borrowings payable \$ 7,317,485

The annual principal and interest requirements to amortize the bonds and notes from direct borrowings payable are as follows:

Year Ending June 30,	Bonds Payable		Notes from Direct Borrowings Payable		Bond Premium Payable
	Principal	Interest	Principal	Interest	Principal
2022	\$ 1,314,819	\$ 728,838	\$ 583,827	\$ 22,341	\$ 89,174
2023	1,203,569	670,810	562,568	14,945	89,174
2024	1,203,569	625,309	476,361	8,679	89,174
2025	1,153,569	571,714	459,078	5,395	89,174
2026	1,153,569	524,789	408,237	2,958	89,174
2027-2031	5,699,938	1,829,894	2,216,273	9,700	445,870
2032-2036	5,363,200	899,021	2,056,141	1,248	445,870
2037-2041	2,789,998	137,205	555,000	-	144,647
	<u>\$ 19,882,231</u>	<u>\$ 5,987,580</u>	<u>\$ 7,317,485</u>	<u>\$ 65,266</u>	<u>\$ 1,482,257</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the Unit, for which its full faith and credit are pledged. The Unit is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Unit.

In 2017, the Unit issued a Series 2017C Qualified Zone Academy Bond totaling \$798,000. Annual principal payments on the bond are required to be deposited into a sinking fund held by First National Bank. The deposits and the interest earned on those deposits will be used to make the principal payment in September of 2032. The Unit is also required to pay its proportionate share of any investment losses incurred on the investment of sinking fund deposits resulting in insufficient funds to pay the bank bonds when due. As of June 30, 2021, the most recent financial information available, the balance in the sinking fund for the Regional School Unit No. 61 totaled \$161,277.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in other long-term obligations for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Reductions	Balance, 6/30/21	Due Within One Year
Accrued compensated absences	\$ 320,564	\$ -	\$ (74,255)	\$ 246,309	\$ 23,542
Net pension liability	765,700	519,466	(629,180)	655,986	-
Net OPEB liability	7,764,222	616,412	(1,050,316)	7,330,318	-
Totals	<u>\$ 8,850,486</u>	<u>\$ 1,135,878</u>	<u>\$ (1,753,751)</u>	<u>\$ 8,232,613</u>	<u>\$ 23,542</u>

Please see Notes 8, 15 and 18 for detailed information on each of the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Unit's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave, as well as unused personal days converted to sick time. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2021, the Unit's liability for compensated absences is \$246,309.

NOTE 9 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2021, the Unit had the following restricted net position and restricted fund balances:

School of Our Future	\$ 35,156
Nonmajor Special Revenue Funds (Schedule D):	
Restricted Grants Local	40,506
Worthington Grant	4,465
Anonimo	6,273
College Transition	3,134
Adult Ed Enrichment	7,167
Adult Ed Checking	1,154

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES
(CONTINUED)

Nonmajor Capital Projects Funds (Schedule F):	
Capital Projects Fund	44,552
Nonmajor Permanent Funds (Schedule H):	
Vincent Ciaravino Trust	10,077
Richard Warren Trut	5,434
Hermia Toothaker Trust	78,619
Donations Henry and Norma Zeike	22,004
Blaisdell/Cuccinello Scholarship	12,575
Dorothy Smalley Scholarship	712,421
Worthington Scholarship	1,334
Alumni Scholarship	13,309
Priscilla Noddin Trust	101,882
Isidor Gordon Trust	49,206
Bontuit Scholarship	17,855
Miriam Pierce Scholarship	26,291
Ione Estes Scholarship	23,377
Frederick and Claudette V Scholarship	6,376
Seekins Scholarship	214,153
Hunter Scholarship	119,430
Goss Ruggles Scholarship	730,934
Harjula Scholarship	16,312
Moran Scholarship	13,981
Gutoske Scholarship	4,085
Brasier Scholarship	8,129
Magrogan Scholarship	10,708
Stone Scholarship	4,121
Griffith Scholarship	21,539
Carignan Scholarship	41,749
Daggett Trust	5,972
Crockett Trust	222
Killeran Scholarship	28,796
Billy Hoch Scholarship	5,743
Mildred Merrill Trust	15,923
Dylan Meklin Memorial	2,487
Raymond Willis Dow Trust	15,834
William Holden Trust	1,718
Lindsey Memorial Scholarship	9,635
William Stinson Jr Memorial	22,309
Ciaravino School Fund	31,911
Barbara Nelson Coffin Scholarship	34,618
Joseph B Pellacani Scholarship	15,857
	<u>\$ 2,599,333</u>

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 - NONSPENDABLE FUND BALANCES

At June 30, 2021, the Unit had the following nonspendable fund balances:

General Fund:	
Prepaid Items	\$ 775
Nonmajor Special Revenue Funds (Schedule D)	51,693
	<u>\$ 52,468</u>

NOTE 11 - COMMITTED FUND BALANCE

At June 30, 2021, the Unit had the following committed fund balance:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 4,948</u>
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NOTE 12 - ASSIGNED FUND BALANCE

At June 30, 2021, the Unit had the following assigned fund balance:

Nonmajor Special Revenue Funds (Schedule D)	<u>\$ 190,346</u>
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NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2021, the Unit had the following deficit fund balances:

General Fund	\$ 2,112,859
Nonmajor Special Revenues Funds:	
Adult Education	8,065
Title IA	-
ESSERF COVID 19	113,203
ESSERF #2	87,558
IDEA-B	240
Food Service	81,810
CRF #2	-
CRF #1	-
	<u>\$ 2,403,735</u>

We noted the General Fund has a negative fund balance of \$2,112,855 which was a continuation of negative fund balance from the prior fiscal year. Factors from prior fiscal years that have led to the negative fund balance were special education cost overruns and retroactive teacher pay. We would like to note that accrued summer salaries make up \$2,693,980 of that accrual. Without that accrual, the fund balance would be \$581,125.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 - RISK MANAGEMENT

The Unit is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Unit carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine School Management Association.

Based on the coverage provided by the insurance purchased, the Unit is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2021. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 15 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions. As of June 30, 2020 there were 237 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. The Unit's teachers are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for teachers covered by this program was approximately \$14,247,115 for the year ended June 30, 2021. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.33% of the Unit's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$2,041,612 for the year ended June 30, 2021. Title 5 of the Maine Revised Statutes Annotated also requires the Unit to contribute at an actuarially determined normal cost rate of 4.19%, which totaled \$569,692 for 2021. In addition, the Unit is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.96% of compensation and totaled \$106,361 the year ended June 30, 2021.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2021, the Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Unit. The amount recognized by the Unit as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Unit were as follows:

Unit's proportionate share of the net pension liability	\$ 655,986
State's proportionate share of the net pension liability associated with the Unit	<u>17,554,511</u>
Total	<u>\$ 18,210,497</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Unit's proportion of the net pension liability was based on a projection of the Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating school Units and the State, actuarially determined. At June 30, 2020, the Unit's proportion was 0.040189%, which was a decrease of 0.01205% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Unit recognized net pension expense of \$2,327,869 and revenue of \$2,327,869 for support provided by the State of Maine. At June 30, 2021, the Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,982	\$ 13,898
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	27,195	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	135,162
Contributions subsequent to the measurement date	676,053	-
Total	<u>\$ 724,230</u>	<u>\$ 149,060</u>

\$676,053 reported as deferred outflows of resources related to pensions resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan
Plan year ended June 30:	
2021	\$ (86,288)
2022	(62,631)
2023	24,145
2024	23,892
2025	-
Thereafter	-

Actuarial Methods and Assumptions

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

Actuarial Cost Method

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

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Asset Valuation Method

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

Amortization

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses and changes are amortized over ten-year periods beginning on the date as of which they occur.

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

Investment Rate of Return - 6.75% per annum for the year ended June 30, 2020, compounded annually.

Salary Increases, Merit and Inflation - state employees, 2.75%

Mortality Rates - For active members and non-disabled retirees the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - 2.20% per annum for the year ended June 30, 2020.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Asset Class	SET Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate

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

The following table shows how the collective net pension liability/(asset) as of June 30, 2020 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for the State Employee and Teacher Plan.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
<u>SET Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
Unit's proportionate share of the net pension liability	\$ 1,137,672	\$ 655,986	\$ 254,511

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2020 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2020, this was three years for the SET Plan. For 2019, this was three years for the SET Plan. For 2018 and 2017, this was three years for the SET Plan.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2020 valuation were based on results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

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

NOTE 16 - DEFERRED COMPENSATION PLAN

The Unit offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403. The plan, available to all Unit employees as part of a collective bargaining agreement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Unit's management that the Unit has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2020, there were 233 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.mainebers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For Department's teachers, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. The State participates in the SET Plan as a non-employer contributing entity in that the State pays the actuarially

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

determined premium contributions associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2021 was approximately \$42,450.

OPEB Liabilities and OPEB Expense

At June 30, 2021, the Unit reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Unit. The total portion of the net OPEB liability that was associated with the Unit was as follows:

Unit's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Unit		<u>378,055</u>
Total	\$	<u><u>378,055</u></u>

For the year ended June 30, 2021, the Unit recognized net OPEB expense of \$41,866 and revenue of \$41,866 for support provided by the State of Maine.

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and School retirees contribute to the Unit's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the Unit and/or the Unit retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the Unit concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The employee must have participated in a plan for the 12 months prior to retirement and have 10 years (under age 50) or 5 years (age 50 or above) of continuous active service and enrollment in the health plan to be eligible for this Plan. The retiree who terminates coverage may elect to re-enroll in coverage if they participated in the health plan for 12 months prior to terminating coverage, as long as re-enrollment occurs within 5 years from coverage termination and as long as the retiree is not past age 62. The retiree must have maintained continuous health insurance coverage during the break in coverage with MEABT to be eligible for re-enrollment and is only eligible for re-enrollment once.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Active members	350
Retirees and spouses	<u>197</u>
Total	<u><u>547</u></u>

Cost Sharing Provisions/Contributions

Retirees are eligible for a State subsidy of 45% of the blended single premium for the retiree. The blended premium is determined by blending rates for active members and retired members, as determined by State law. The retiree contributes the remaining 55% of blended single premium and spouse must contribute 100% of the blended premium amount coverage elected.

Employee/Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

<u>Pre-Medicare</u>	<u>Employee</u>	<u>Employee/ Spouse</u>	<u>Employee/ Child(ren)</u>	<u>Family</u>
Choice Plus	\$857	\$1,931	\$1,516	\$2,350
Standard \$200 Ded	\$925	\$2,085	\$1,637	\$2,538
Standard \$500 Ded	\$814	\$1,834	\$1,440	\$2,232
<u>Medicare</u>				
Medicare-Eligible Retirees	\$393	\$787	N/A	N/A

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

At June 30, 2021, the Unit reported a liability of \$7,330,318 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date. The Unit's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2021, the Unit recognized OPEB revenue of \$466,160. At June 30, 2021, the Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MEABT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 239,098	\$ -
Changes of assumptions	227,245	176,013
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	209,862	-
Total	\$ 676,205	\$ 176,013

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

\$209,862 were reported as deferred outflows of resources related to OPEB resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>MEABT</u>	
Plan year ended June 30:		
2021	\$	52,484
2022		52,482
2023		112,286
2024		36,539
2025		36,539
Thereafter		-

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.21% per annum for June 30, 2020 was based upon a measurement date of June 25, 2020. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.21%	2.21%	3.21%
Total OPEB liability	\$ 8,536,433	\$ 7,330,318	\$ 6,347,183
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 8,536,433</u>	<u>\$ 7,330,318</u>	<u>\$ 6,347,183</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 6,291,093	\$ 7,330,318	\$ 8,613,925
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 6,291,093</u>	<u>\$ 7,330,318</u>	<u>\$ 8,613,925</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

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

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

Assumptions

The demographic actuarial assumptions are the Teacher assumptions that were used by the Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation at June 30, 2021 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

The economic assumptions are based on GASB 75 paragraph 36. Since the Plan is not funded via a qualified trust, the discount rates are selected based on the 20-year tax-exempt bond buyer rates as of the measurement dates. The other economic assumptions, ie trend rates, were developed based on historical and future projections of long term health care rates:

Discount Rate - 2.21% per annum for year-end 2020 reporting, 3.50% per annum for year-end 2019 reporting.

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2021_b. The following assumptions were applied in this model as below:

Trend Assumption Inputs

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2030+	1.23%
Extra Trend due to Taste/Technology 2030+	1.10%
Expected Health Share of GDP 2030	20.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. Sample medical trends are listed in the table below.

Pre-Medicare - Initial trend of 6.21% applied in FYE 2020 and 6.83% applied in FYE 2020 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2021 and 6.30% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2018 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of June 30, 2018, they are as follows:

Retirement Rates - Rates vary for plans based on age and service

Rates of Turnover - Rates vary for plans based on service

Disability Incidence - Rates vary for plans based on age

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims

Family Enrollment Composition - It is assumed that 80% is married with an eligible spouse.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2020 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were assumed to be the midpoint of each service group. Those under 1 year of service, the date was assumed to be January 1, 2018 and all other groups were assumed to be hired on July 1 of each service midpoint.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Rate of Mortality:

Healthy Annuitants: Based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80
- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Healthy Employees: Based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: Based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Retiree Continuation Percentage:

Retirees who are currently in the Medicare Advantage Plan (Medicare participants) are assumed to remain in the Medicare Advantage Plan.

Retirees who are over the age of 65 and enrolled in a Pre-Medicare plan are assumed to never be eligible for Medicare and are assumed to remain enrolled in the Pre-Medicare plan.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Retirees who are currently under the age of 64 and enrolled in a Pre-Medicare plan are assumed to be eligible for Medicare and are assumed to remain in the Pre-Medicare Plan until age 64 and enroll in the Medicare Advantage Plan at age 65.

Spouses who are currently in a Pre-Medicare plan will follow the same assumptions as the retired member. Thus if the member is never eligible for Medicare, the spouse is not either.

Significant actuarial assumptions employed by the actuary for claims and expense purposes are based on the actual community rated premiums of the entire group. As of June 30, 2019, they are as follows:

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through June 30, 2018 and projects through 2019 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

Medical Plan Election - Employees are assumed to continue in their current medical plan for their entire career. 50% of retirees are assumed to switch from the Choice Plan to the Standard Plan.

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Group Companion Plan, all retirees under age 64 and current actives with a date of hire before 3/31/1986.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2020, the differences between expected and actual experience was \$239,098.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of July 1, 2017, this average was 8 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2019. For the fiscal year ended June 30, 2020, there were no changes in assumptions.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Unit Office at 28 Lincoln Street, Rockland, Maine 04841.

NOTE 19 - CONTINGENCIES AND COMMITMENTS

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Unit's financial position.

The Unit participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Unit has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the Unit, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 19 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

Regional School Unit No. 13 receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the School's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the Unit and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2022 could include expenditures from the fiscal year of 2021 that would normally be accrued. The actual amount cannot be determined at this time. However, it is the position of the Regional School Unit No. 13 management that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units concerning this matter.

NOTE 20 - RELATED PARTY TRANSACTIONS

An employee of the Regional School Unit No. 13 was hired to provide mowing services to the Unit. During fiscal year 2021, payments for these services totaled \$19,400.

NOTE 21 - BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

Regional School Unit No. 13 is an income beneficiary of assets held by Maine Community Foundation (MCF) as a result of making reciprocal transfers of assets to MCF and specifying itself as the beneficiary. As such, Regional School Unit No. 13 receives distributions amounting to a percentage of the fair value of these assets each year. Regional School Unit No. 13 has granted variance power to MCF. The Board of Trustees of the MCF has the power to modify, consistently with State law, including seeking approval of the appropriate court or Attorney General, where applicable, any restriction or condition on the distribution of funds for any specified entities if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Annual distributions from these assets have been reported as revenue.

The estimated fair market value of the beneficial interest in the assets, which approximate the present values of the expected future cash flows from the assets, are recognized in the statement of net position as investments. This amounted to \$129,865 for the year ended June 30, 2021.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 22 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Unit's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 23 - RESTATEMENT

The net position of the governmental activities and the special revenue funds total fund balance have both been restated at July 1, 2020 to account for the reclassification of funds from fiduciary to governmental as required by the implementation of GASB Statement No. 84, "Fiduciary Activities". The beginning governmental activities net position and the beginning special revenue funds were both restated by \$204,182. The resulting restatements increased governmental activities net position from \$2,383,416 to \$2,587,598 and increased the special revenue funds total fund balance from a deficit balance of \$124,375 to \$79,807.

NOTE 24 - SUBSEQUENT EVENT

On July 1, 2021, the Unit issued a Tax Anticipation Note with Androsoggin Bank to meet its operating obligations during fiscal year 2021-2021. The note allows for principal draws up to \$7,000,000 at a fixed interest rate of 1.30% with a maturity date of June 30, 2022.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of the Proportionate Share of the Net OPEB Liability - SET Plan
- Schedule of Contributions - OPEB - SET Plan
- Schedule of Changes in Net OPEB Liability - MEABT Plan
- Schedule of Changes in Net OPEB Liability and Related Ratios - MEABT Plan
- Schedule of Contributions - OPEB - MEABT Plan
- Notes to Required Supplementary Information

REGIONAL SCHOOL UNIT NO. 13

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (3,943,928)	\$ (3,943,928)	\$ (3,943,928)	\$ -
Resources (inflows):				
Support from towns	26,013,842	26,013,842	26,013,866	24
Intergovernmental revenues:				
State subsidy	5,513,858	5,513,858	5,723,396	209,538
State agency client	-	-	364	364
Other	12,500	12,500	84,536	72,036
Charges for services	546,000	546,000	446,913	(99,087)
Interest income	5,000	5,000	3,916	(1,084)
Miscellaneous revenues	3,800	3,800	109,285	105,485
Transfers from other funds	-	-	355	355
Amounts Available for Appropriation	<u>28,151,072</u>	<u>28,151,072</u>	<u>28,438,703</u>	<u>287,631</u>
Charges to Appropriations (outflows):				
Instruction	11,369,800	11,369,800	10,860,642	509,158
Special education	7,496,600	7,496,600	7,075,969	420,631
Career and technical	59,600	59,600	59,571	29
Other instructional	580,400	580,400	383,728	196,672
Student and staff support	2,653,400	2,653,400	2,533,797	119,603
System administration	759,500	812,700	812,686	14
School administration	1,499,900	1,499,900	1,494,820	5,080
Transportation	1,694,800	1,694,800	1,430,080	264,720
Facilities	3,064,000	3,084,000	3,083,412	588
Debt service:				
Principal	1,534,670	1,534,670	1,534,670	-
Interest	982,330	982,330	982,187	143
Transfers to other funds	400,000	326,800	300,000	26,800
Total Charges to Appropriations	<u>32,095,000</u>	<u>32,095,000</u>	<u>30,551,562</u>	<u>1,543,438</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (3,943,928)</u>	<u>\$ (3,943,928)</u>	<u>\$ (2,112,859)</u>	<u>\$ 1,831,069</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>SET Plan:</u>							
Unit's proportion of the net pension liability (asset)	0.04%	0.05%	0.06%	0.06%	0.06%	0.06%	0.07%
Unit's proportionate share of the net pension liability (asset)	\$ 655,986	\$ 765,700	\$ 743,637	\$ 874,892	\$ 1,085,224	\$ 791,183	\$ 733,901
State's proportionate share of the net pension liability (asset) associated with the Unit	<u>17,554,511</u>	<u>15,332,302</u>	<u>14,079,360</u>	<u>13,900,890</u>	<u>17,650,138</u>	<u>14,805,141</u>	<u>12,155,484</u>
Total	<u>\$ 18,210,497</u>	<u>\$ 16,098,002</u>	<u>\$ 14,822,997</u>	<u>\$ 14,775,782</u>	<u>\$ 18,735,362</u>	<u>\$ 15,596,324</u>	<u>\$ 12,889,385</u>
Unit's covered payroll	\$ 13,965,037	\$ 13,360,231	\$ 12,821,306	\$ 12,314,117	\$ 12,450,008	\$ 13,198,919	\$ 13,380,695
Unit's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	4.70%	5.73%	5.80%	7.10%	8.72%	5.99%	5.48%
Plan fiduciary net position as a percentage of the total pension liability	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%	83.91%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>SET Plan:</u>								
Contractually required contribution	\$ 676,053	\$ 595,627	\$ 556,337	\$ 536,246	\$ 487,809	\$ 494,860	\$ 443,714	\$ 461,070
Contributions in relation to the contractually required contribution	<u>(676,053)</u>	<u>(595,627)</u>	<u>(556,337)</u>	<u>(536,246)</u>	<u>(487,809)</u>	<u>(494,860)</u>	<u>(443,714)</u>	<u>(461,070)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Unit's covered payroll	\$ 14,247,115	\$ 13,965,037	\$ 13,360,231	\$ 12,821,306	\$ 12,314,117	\$ 12,450,008	\$ 13,198,919	\$ 13,380,695
Contributions as a percentage of covered payroll	4.75%	4.27%	4.16%	4.18%	3.96%	3.97%	3.36%	3.45%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SET PLAN
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>				
Proportion of the net OPEB liability Unit's proportionate share of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Unit	<u>378,055</u>	<u>367,094</u>	<u>373,413</u>	<u>348,217</u>
Total	<u>\$ 378,055</u>	<u>\$ 367,094</u>	<u>\$ 373,413</u>	<u>\$ 348,217</u>
Covered payroll	\$ 13,965,037	\$ 13,360,231	\$ 12,821,306	\$ 12,314,117
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	55.40%	49.51%	49.22%	48.04%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CONTRIBUTIONS - OPEB - SET PLAN
LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Life Insurance:</u>				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,247,115	\$ 13,965,037	\$ 13,360,231	\$ 12,821,306
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2021

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 6/30/19 (Reporting June 30, 2020)	\$ 7,764,222	\$ -	\$ 7,764,222
Changes for the year:			
Service cost	61,566	-	61,566
Interest	267,928	-	267,928
Changes of benefits	(638,276)	-	(638,276)
Differences between expected and actual experience	286,918	-	286,918
Changes of assumptions	(67,684)	-	(67,684)
Contributions - employer	-	344,356	(344,356)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(344,356)	(344,356)	-
Administrative expense	-	-	-
Net changes	<u>(433,904)</u>	<u>-</u>	<u>(433,904)</u>
Balances at 6/30/20 (Reporting June 30, 2021)	<u>\$ 7,330,318</u>	<u>\$ -</u>	<u>\$ 7,330,318</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT PLAN
LAST TEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 61,566	\$ 52,046	\$ 55,576
Interest (includes interest on service cost)	267,928	281,044	270,139
Changes of benefit terms	(638,276)	-	-
Differences between expected and actual experience	286,918	-	-
Changes of assumptions	(67,684)	378,743	(299,022)
Benefit payments, including refunds of member contributions	(344,356)	(312,390)	(301,593)
Net change in total OPEB liability	<u>\$ (433,904)</u>	<u>\$ 399,443</u>	<u>\$ (274,900)</u>
Total OPEB liability - beginning	\$ 7,764,222	\$ 7,364,779	\$ 7,639,679
Total OPEB liability - ending	<u>\$ 7,330,318</u>	<u>\$ 7,764,222</u>	<u>\$ 7,364,779</u>
<u>Plan fiduciary net position</u>			
Contributions - employer	344,356	312,390	301,593
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(344,356)	(312,390)	(301,593)
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 7,330,318</u>	<u>\$ 7,764,222</u>	<u>\$ 7,364,779</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 15,974,956	\$ 16,395,484	\$ 15,956,675
Net OPEB liability as a percentage of covered payroll	45.9%	47.4%	46.2%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CONTRIBUTIONS - OPEB - MEABT PLAN
LAST TEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>MEABT:</u>			
Employer contributions	\$ 344,356	\$ 312,390	\$ 301,593
Benefit payments	<u>(344,356)</u>	<u>(312,390)</u>	<u>(301,593)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,974,956	\$ 16,395,484	\$ 15,956,675
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions

MEABT OPEB Plan:

There was a change in the discount rate from 3.50% to 2.21% per GASB 75 discount rate selection. There was also an updated census, demographic assumptions and economic assumptions.

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
INSTRUCTION (Article 1)				
Regular instruction - elementary	\$ 7,693,328	\$ 7,693,328	\$ 7,396,698	\$ 296,630
Regular instruction - secondary	2,911,470	2,911,470	2,784,851	126,619
Alternative education	252,100	252,100	246,469	5,631
English as a second language	211,612	211,612	151,386	60,226
Gifted and talented	301,290	301,290	280,304	20,986
Field trips - elementary	-	-	138	(138)
Field trips - secondary	-	-	796	(796)
Totals	<u>11,369,800</u>	<u>11,369,800</u>	<u>10,860,642</u>	<u>509,158</u>
SPECIAL EDUCATION (Article 2)				
Resource room	2,011,718	2,011,718	1,787,211	224,507
Self contained class - life skills	741,286	741,286	699,177	42,109
Self contained class - behavior	2,698,000	2,698,000	2,684,458	13,542
Social worker	394,668	394,668	380,040	14,628
Psychological services	209,111	209,111	106,626	102,485
Speech services	544,444	544,444	635,683	(91,239)
Physical therapist	100,487	100,487	91,407	9,080
Occupational therapy	234,435	234,435	230,164	4,271
Other services	250	250	-	250
Hospital/homebound	5,000	5,000	5,810	(810)
Summer school	72,457	72,457	49,031	23,426
Health services	78,768	78,768	79,214	(446)
Administration	405,976	405,976	327,148	78,828
Totals	<u>7,496,600</u>	<u>7,496,600</u>	<u>7,075,969</u>	<u>420,631</u>
CAREER AND TECHNICAL (Article 3)				
Career and technical education	<u>59,600</u>	<u>59,600</u>	<u>59,571</u>	<u>29</u>
Totals	<u>59,600</u>	<u>59,600</u>	<u>59,571</u>	<u>29</u>
OTHER INSTRUCTIONAL (Article 4)				
Summer school	24,000	24,000	9,460	14,540
Co-curricular	46,218	46,218	17,701	28,517
Extra curricular/athletics	510,182	510,182	356,567	153,615
Totals	<u>580,400</u>	<u>580,400</u>	<u>383,728</u>	<u>196,672</u>

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
STUDENT AND STAFF SUPPORT (Article 5)				
Guidance	638,408	638,408	693,060	(54,652)
Other student support services	31,823	31,823	52,923	(21,100)
Library	377,996	377,996	254,649	123,347
Instructional technology	828,185	828,185	938,869	(110,684)
Health services	418,832	418,832	401,672	17,160
Improvement of instruction	174,491	174,491	176,706	(2,215)
Improvement of staff training	31,803	31,803	13,043	18,760
Social work	117,382	117,382	-	117,382
Student assessment	34,480	34,480	2,875	31,605
Totals	<u>2,653,400</u>	<u>2,653,400</u>	<u>2,533,797</u>	<u>119,603</u>
SYSTEM ADMINISTRATION (Article 6)				
School board	78,914	90,414	93,661	(3,247)
Office of the superintendent	306,953	306,953	259,956	46,997
Business office	373,633	415,333	459,069	(43,736)
Totals	<u>759,500</u>	<u>812,700</u>	<u>812,686</u>	<u>14</u>
SCHOOL ADMINISTRATION (Article 7)				
Cushing Community School	122,210	122,210	122,240	(30)
Ash Point School	168,899	168,899	165,291	3,608
South School	354,994	354,994	370,743	(15,749)
Thomaston Grammar School	169,419	169,419	163,868	5,551
Oceanside Middle School	337,802	337,802	339,903	(2,101)
Oceanside High School	346,576	346,576	332,775	13,801
Totals	<u>1,499,900</u>	<u>1,499,900</u>	<u>1,494,820</u>	<u>5,080</u>
TRANSPORTATION (Article 8)				
	<u>1,694,800</u>	<u>1,694,800</u>	<u>1,430,080</u>	<u>264,720</u>

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
FACILITIES (Article 9)				
Operations and maintenance	966,303	980,303	1,032,318	(52,015)
Care of buildings	1,089,077	1,089,077	1,114,671	(25,594)
Maintenance of buildings	331,807	337,807	288,993	48,814
Capital renewal and renovation	676,813	676,813	647,430	29,383
Totals	<u>3,064,000</u>	<u>3,084,000</u>	<u>3,083,412</u>	<u>588</u>
DEBT SERVICE (Article 10)				
Principal	1,534,670	1,534,670	1,534,670	-
Interest	982,330	982,330	982,187	143
Totals	<u>2,517,000</u>	<u>2,517,000</u>	<u>2,516,857</u>	<u>143</u>
TRANSFERS TO OTHER FUNDS (Article 11)				
Food service	400,000	326,800	300,000	26,800
Totals	<u>400,000</u>	<u>326,800</u>	<u>300,000</u>	<u>26,800</u>
TOTAL DEPARTMENTAL OPERATIONS	<u><u>\$ 32,095,000</u></u>	<u><u>\$ 32,095,000</u></u>	<u><u>\$ 30,551,562</u></u>	<u><u>\$ 1,543,438</u></u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 199,417	\$ -	\$ 156,316	\$ 355,733
Investments	-	-	2,297,502	2,297,502
Accounts receivable (net of allowance for uncollectibles)	41,646	31,741	-	73,387
Due from other governments	1,724,344	-	-	1,724,344
Inventory	43,643	-	-	43,643
Prepaid items	8,050	-	-	8,050
Due from other funds	69,652	37,107	3,108	109,867
TOTAL ASSETS	\$ 2,086,752	\$ 68,848	\$ 2,456,926	\$ 4,612,526
LIABILITIES				
Accounts payable	\$ 310,511	\$ 24,296	\$ -	\$ 334,807
Accrued expenses	36,545	-	-	36,545
Due to other funds	1,772,579	-	-	1,772,579
TOTAL LIABILITIES	2,119,635	24,296	-	2,143,931
FUND BALANCES (DEFICITS)				
Nonspendable	51,693	-	-	51,693
Restricted	62,699	44,552	2,456,926	2,564,177
Committed	4,948	-	-	4,948
Assigned	190,346	-	-	190,346
Unassigned	(342,569)	-	-	(342,569)
TOTAL FUND BALANCES (DEFICITS)	(32,883)	44,552	2,456,926	2,468,595
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 2,086,752	\$ 68,848	\$ 2,456,926	\$ 4,612,526

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 5,551,476	\$ -	\$ -	\$ 5,551,476
Investment income, net of unrealized gains/(losses)	-	-	393,378	393,378
Other	94,322	-	-	94,322
TOTAL REVENUES	<u>5,666,680</u>	<u>-</u>	<u>393,378</u>	<u>6,060,058</u>
EXPENDITURES				
Program expenses	4,820,329	4,923	45,831	4,871,083
Capital outlay	1,254,686	24,296	-	1,278,982
TOTAL EXPENDITURES	<u>6,075,015</u>	<u>29,219</u>	<u>45,831</u>	<u>6,150,065</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(408,335)</u>	<u>(29,219)</u>	<u>347,547</u>	<u>(90,007)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	478,452	4,000	-	482,452
Transfers (out)	(182,807)	-	-	(182,807)
TOTAL OTHER FINANCING SOURCES (USES)	<u>295,645</u>	<u>4,000</u>	<u>-</u>	<u>299,645</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(112,690)	(25,219)	347,547	209,638
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>79,807</u>	<u>69,771</u>	<u>2,109,379</u>	<u>2,258,957</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (32,883)</u>	<u>\$ 44,552</u>	<u>\$ 2,456,926</u>	<u>\$ 2,468,595</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Adult Education	Insurance Claims	Restricted Grants Local	National Board Scholarship	GRAF	Student Activities	Worthington Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 11,857	\$ -	\$ -	\$ 186,386	\$ 440
Accounts receivable (net of allowance for uncollectibles)	-	983	-	-	51	-	-
Due from other governments	66	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	6,386	2	33,375	950	-	490	4,025
TOTAL ASSETS	<u>\$ 6,452</u>	<u>\$ 985</u>	<u>\$ 45,232</u>	<u>\$ 950</u>	<u>\$ 51</u>	<u>\$ 186,876</u>	<u>\$ 4,465</u>
LIABILITIES							
Accounts payable	\$ 4,191	\$ -	\$ 4,726	\$ -	\$ 37	\$ -	\$ -
Accrued expenses	10,326	-	-	-	-	-	-
Due to other funds	-	-	-	-	14	-	-
TOTAL LIABILITIES	<u>14,517</u>	<u>-</u>	<u>4,726</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	40,506	-	-	-	4,465
Committed	-	985	-	-	-	-	-
Assigned	-	-	-	950	-	186,876	-
Unassigned	(8,065)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>(8,065)</u>	<u>985</u>	<u>40,506</u>	<u>950</u>	<u>-</u>	<u>186,876</u>	<u>4,465</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 6,452</u>	<u>\$ 985</u>	<u>\$ 45,232</u>	<u>\$ 950</u>	<u>\$ 51</u>	<u>\$ 186,876</u>	<u>\$ 4,465</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	<u>Anonimo</u>	<u>College Transition</u>	<u>Title IA</u>	<u>Laptop Damage</u>	<u>ESSERF COVID 19</u>	<u>ESSERF #2</u>	<u>IDEA-B</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other governments	-	13,218	376,454	-	-	-	97,453
Inventory	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	6,648	-	-	425	-	-	-
TOTAL ASSETS	<u>\$ 6,648</u>	<u>\$ 13,218</u>	<u>\$ 376,454</u>	<u>\$ 425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,453</u>
LIABILITIES							
Accounts payable	\$ 375	\$ -	\$ 2,928	\$ -	\$ 43,912	\$ -	\$ 53,705
Accrued expenses	-	-	-	-	16,730	-	-
Due to other funds	-	10,084	373,526	-	52,561	87,558	43,988
TOTAL LIABILITIES	<u>375</u>	<u>10,084</u>	<u>376,454</u>	<u>-</u>	<u>113,203</u>	<u>87,558</u>	<u>97,693</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,273	3,134	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	425	-	-	-
Unassigned	-	-	-	-	(113,203)	(87,558)	(240)
TOTAL FUND BALANCES (DEFICITS)	<u>6,273</u>	<u>3,134</u>	<u>-</u>	<u>425</u>	<u>(113,203)</u>	<u>(87,558)</u>	<u>(240)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 6,648</u>	<u>\$ 13,218</u>	<u>\$ 376,454</u>	<u>\$ 425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,453</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	IDEA-B Pre School	Title VI	21st Century Grant	CRF Adult Education	Title V Rural Low Income	Title IIA	Food Service	AEFLA
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	40,612	-
Due from other governments	-	-	89,993	11,984	40,002	-	154,129	5,562
Inventory	-	-	-	-	-	-	43,643	-
Prepaid items	-	-	-	-	-	-	8,050	-
Due from other funds	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ 90,493	\$ 11,984	\$ 40,002	\$ -	\$ 246,434	\$ 5,562
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 16,740	\$ -	\$ 17,645	\$ -	\$ 34,827	\$ -
Accrued expenses	-	-	-	-	9,489	-	-	-
Due to other funds	-	-	73,753	11,984	12,868	-	293,417	5,562
TOTAL LIABILITIES	-	-	90,493	11,984	40,002	-	328,244	5,562
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	51,693	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(133,503)	-
TOTAL FUND BALANCES (DEFICITS)	-	-	-	-	-	-	(81,810)	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ 90,493	\$ 11,984	\$ 40,002	\$ -	\$ 246,434	\$ 5,562

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	CRF #2	Before School Supervision	Adult Ed Enrichment	CRF #1	MCASS Fund	Adult Ed Travel	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234	\$ 199,417
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	41,646
Due from other governments	935,483	-	-	-	-	-	1,724,344
Inventory	-	-	-	-	-	-	43,643
Prepaid items	-	-	-	-	-	-	8,050
Due from other funds	-	3,963	9,114	1,259	2,095	920	69,652
TOTAL ASSETS	\$ 935,483	\$ 3,963	\$ 9,114	\$ 1,259	\$ 2,095	\$ 1,154	\$ 2,086,752
LIABILITIES							
Accounts payable	\$ 128,219	\$ -	\$ 1,947	\$ 1,259	\$ -	\$ -	\$ 310,511
Accrued expenses	-	-	-	-	-	-	36,545
Due to other funds	807,264	-	-	-	-	-	1,772,579
TOTAL LIABILITIES	935,483	-	1,947	1,259	-	-	2,119,635
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	51,693
Restricted	-	-	7,167	-	-	1,154	62,699
Committed	-	3,963	-	-	-	-	4,948
Assigned	-	-	-	-	2,095	-	190,346
Unassigned	-	-	-	-	-	-	(342,569)
TOTAL FUND BALANCES (DEFICITS)	-	3,963	7,167	-	2,095	1,154	(32,883)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 935,483	\$ 3,963	\$ 9,114	\$ 1,259	\$ 2,095	\$ 1,154	\$ 2,086,752

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Adult Education	Insurance Claims	Restricted Grants Local	National Board Scholarship	GRAF	Student Activities	Worthington Grant
REVENUES							
Intergovernmental revenue	\$ 291,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other	-	-	33,432	2,850	-	57,547	-
TOTAL REVENUES	<u>291,345</u>	<u>-</u>	<u>33,432</u>	<u>2,850</u>	<u>-</u>	<u>57,547</u>	<u>-</u>
EXPENDITURES							
Program expenses	307,311	1,300	16,192	1,900	-	74,853	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>307,311</u>	<u>1,300</u>	<u>16,192</u>	<u>1,900</u>	<u>-</u>	<u>74,853</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,966)</u>	<u>(1,300)</u>	<u>17,240</u>	<u>950</u>	<u>-</u>	<u>(17,306)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	3,470	-	-	-	-
Transfers (out)	-	-	(7,825)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(4,355)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(15,966)	(1,300)	12,885	950	-	(17,306)	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>7,901</u>	<u>2,285</u>	<u>27,621</u>	<u>-</u>	<u>-</u>	<u>204,182</u>	<u>4,465</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (8,065)</u>	<u>\$ 985</u>	<u>\$ 40,506</u>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ 186,876</u>	<u>\$ 4,465</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Anonimo	College Transition	Title IA	Laptop Damage	ESSERF COVID 19	ESSERF #2	IDEA-B
REVENUES							
Intergovernmental revenue	\$ 39,500	\$ 28,234	\$ 761,615	\$ -	\$ -	\$ -	\$ 390,623
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	425	-	-	-
TOTAL REVENUES	<u>39,500</u>	<u>28,234</u>	<u>761,615</u>	<u>425</u>	<u>-</u>	<u>-</u>	<u>390,623</u>
EXPENDITURES							
Program expenses	47,207	25,100	801,615	-	113,203	87,558	390,863
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>47,207</u>	<u>25,100</u>	<u>801,615</u>	<u>-</u>	<u>113,203</u>	<u>87,558</u>	<u>390,863</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,707)</u>	<u>3,134</u>	<u>(40,000)</u>	<u>425</u>	<u>(113,203)</u>	<u>(87,558)</u>	<u>(240)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	40,000	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(7,707)</u>	<u>3,134</u>	<u>-</u>	<u>425</u>	<u>(113,203)</u>	<u>(87,558)</u>	<u>(240)</u>
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>13,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 6,273</u>	<u>\$ 3,134</u>	<u>\$ -</u>	<u>\$ 425</u>	<u>\$ (113,203)</u>	<u>\$ (87,558)</u>	<u>\$ (240)</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	IDEA-B Pre School	Title VI	21st Century Grant	CRF Adult Education	Title V Rural Low Income	Title IIA	Food Service	AEFLA
REVENUES								
Intergovernmental revenue	\$ 12,840	\$ 116,912	\$ 254,492	\$ 11,984	\$ 40,017	\$ 58,070	\$ 761,600	\$ 17,205
Charges for services	-	-	-	-	-	-	2,419	-
Other	-	-	-	-	-	-	-	68
TOTAL REVENUES	<u>12,840</u>	<u>116,912</u>	<u>254,492</u>	<u>11,984</u>	<u>40,017</u>	<u>58,070</u>	<u>764,019</u>	<u>17,273</u>
EXPENDITURES								
Program expenses	12,840	-	254,492	726	174,999	-	948,970	17,273
Capital outlay	-	-	-	11,258	-	-	-	-
TOTAL EXPENDITURES	<u>12,840</u>	<u>-</u>	<u>254,492</u>	<u>11,984</u>	<u>174,999</u>	<u>-</u>	<u>948,970</u>	<u>17,273</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>116,912</u>	<u>-</u>	<u>-</u>	<u>(134,982)</u>	<u>58,070</u>	<u>(184,951)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	134,982	-	300,000	-
Transfers (out)	-	(116,912)	-	-	-	(58,070)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(116,912)</u>	<u>-</u>	<u>-</u>	<u>134,982</u>	<u>(58,070)</u>	<u>300,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	-	-	-	115,049	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	-	-	-	-	-	(196,859)	-
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,810)</u>	<u>\$ -</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	CRF #2	Before School Supervision	Adult Ed Enrichment	CRF #1	MCASS Fund	Adult Ed Travel	Total
REVENUES							
Intergovernmental revenue	\$ 1,418,218	\$ -	\$ -	\$ 1,348,821	\$ -	\$ -	\$ 5,551,476
Charges for services	-	10,071	2	-	8,390	-	20,882
Other	-	-	-	-	-	-	94,322
TOTAL REVENUES	<u>1,418,218</u>	<u>10,071</u>	<u>2</u>	<u>1,348,821</u>	<u>8,390</u>	<u>-</u>	<u>5,666,680</u>
EXPENDITURES							
Program expenses	873,129	11,966	27	650,482	8,323	-	4,820,329
Capital outlay	545,089	-	-	698,339	-	-	1,254,686
TOTAL EXPENDITURES	<u>1,418,218</u>	<u>11,966</u>	<u>27</u>	<u>1,348,821</u>	<u>8,323</u>	<u>-</u>	<u>6,075,015</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(1,895)</u>	<u>(25)</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>(408,335)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	478,452
Transfers (out)	-	-	-	-	-	-	(182,807)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,645</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>-</u>	<u>(1,895)</u>	<u>(25)</u>	<u>-</u>	<u>67</u>	<u>-</u>	<u>(112,690)</u>
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>-</u>	<u>5,858</u>	<u>7,192</u>	<u>-</u>	<u>2,028</u>	<u>1,154</u>	<u>79,807</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 3,963</u>	<u>\$ 7,167</u>	<u>\$ -</u>	<u>\$ 2,095</u>	<u>\$ 1,154</u>	<u>\$ (32,883)</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2021

	Capital Projects Fund	Total
ASSETS		
Accounts receivable (net of allowance for uncollectibles)	\$ 31,741	\$ 31,741
Due from other funds	37,107	37,107
TOTAL ASSETS	<u>\$ 68,848</u>	<u>\$ 68,848</u>
LIABILITIES		
Accounts payable	\$ 24,296	\$ 24,296
TOTAL LIABILITIES	<u>24,296</u>	<u>24,296</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	44,552	44,552
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>44,552</u>	<u>44,552</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 68,848</u>	<u>\$ 68,848</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Capital Projects Fund	Total
REVENUES		
Intergovernmental revenue	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Program expenses	4,923	4,923
Capital outlay	24,296	24,296
TOTAL EXPENDITURES	<u>29,219</u>	<u>29,219</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,219)</u>	<u>(29,219)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	4,000	4,000
Transfers (out)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,000</u>	<u>4,000</u>
NET CHANGE IN FUND BALANCES	(25,219)	(25,219)
FUND BALANCES - JULY 1	<u>69,771</u>	<u>69,771</u>
FUND BALANCES - JUNE 30	<u>\$ 44,552</u>	<u>\$ 44,552</u>

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by Regional School Unit No. 13 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Unit or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of scholarships.

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	Vincent Ciaravino Trust	Richard Warren Trust	Hermia Toothaker Trust	Donations Henry and Norma Zeike	Blaisdell/ Cuccinello Scholarship	Dorothy Smalley Scholarship
ASSETS						
Cash and cash equivalents	\$ 1,109	\$ 598	\$ 8,648	\$ 2,420	\$ 1,384	\$ 15,498
Investments	8,968	4,836	69,971	19,584	11,191	696,923
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 10,077</u>	<u>\$ 5,434</u>	<u>\$ 78,619</u>	<u>\$ 22,004</u>	<u>\$ 12,575</u>	<u>\$ 712,421</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	10,077	5,434	78,619	22,004	12,575	712,421
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>10,077</u>	<u>5,434</u>	<u>78,619</u>	<u>22,004</u>	<u>12,575</u>	<u>712,421</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,077</u>	<u>\$ 5,434</u>	<u>\$ 78,619</u>	<u>\$ 22,004</u>	<u>\$ 12,575</u>	<u>\$ 712,421</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	Worthington Scholarship	Alumni Scholarship	Priscilla Noddin Trust	Isidor Gordon Trust	Bontuit Scholarship	Miriam Pierce Scholarship	Ione Estes Scholarship
ASSETS							
Cash and cash equivalents	\$ 131	\$ 1,305	\$ 9,991	\$ 4,825	\$ 1,751	\$ 2,578	\$ 2,293
Investments	1,203	12,004	91,891	44,381	16,104	23,713	21,084
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,334</u>	<u>\$ 13,309</u>	<u>\$ 101,882</u>	<u>\$ 49,206</u>	<u>\$ 17,855</u>	<u>\$ 26,291</u>	<u>\$ 23,377</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,334	13,309	101,882	49,206	17,855	26,291	23,377
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,334</u>	<u>13,309</u>	<u>101,882</u>	<u>49,206</u>	<u>17,855</u>	<u>26,291</u>	<u>23,377</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,334</u>	<u>\$ 13,309</u>	<u>\$ 101,882</u>	<u>\$ 49,206</u>	<u>\$ 17,855</u>	<u>\$ 26,291</u>	<u>\$ 23,377</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2021

	Frederick and Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
ASSETS							
Cash and cash equivalents	\$ 625	\$ 4,220	\$ 2,354	\$ 14,405	\$ 321	\$ 276	\$ 81
Investments	5,751	209,933	117,076	716,529	15,991	13,705	4,004
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 6,376	\$ 214,153	\$ 119,430	\$ 730,934	\$ 16,312	\$ 13,981	\$ 4,085
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,376	214,153	119,430	730,934	16,312	13,981	4,085
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	6,376	214,153	119,430	730,934	16,312	13,981	4,085
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,376	\$ 214,153	\$ 119,430	\$ 730,934	\$ 16,312	\$ 13,981	\$ 4,085

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2021

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
ASSETS							
Cash and cash equivalents	\$ 160	\$ 211	\$ 81	\$ 424	\$ 823	\$ 118	\$ 4
Investments	7,969	10,497	4,040	21,115	40,926	5,854	218
Due from other funds	-	-	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 8,129</u></u>	<u><u>\$ 10,708</u></u>	<u><u>\$ 4,121</u></u>	<u><u>\$ 21,539</u></u>	<u><u>\$ 41,749</u></u>	<u><u>\$ 5,972</u></u>	<u><u>\$ 222</u></u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	8,129	10,708	4,121	21,539	41,749	5,972	222
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>8,129</u>	<u>10,708</u>	<u>4,121</u>	<u>21,539</u>	<u>41,749</u>	<u>5,972</u>	<u>222</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 8,129</u></u>	<u><u>\$ 10,708</u></u>	<u><u>\$ 4,121</u></u>	<u><u>\$ 21,539</u></u>	<u><u>\$ 41,749</u></u>	<u><u>\$ 5,972</u></u>	<u><u>\$ 222</u></u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	Killeran Scholarship	Billy Hoch Scholarship	Mildred Merrill Trust	Dylan Meklin Memorial	Raymond Willis Dow Trust	William Holden Trust	Lindsey Memorial Scholarship
ASSETS							
Cash and cash equivalents	\$ 567	\$ 5,743	\$ 1,562	\$ 2,487	\$ 1,553	\$ 168	\$ 548
Investments	28,229	-	14,361	-	14,281	1,550	9,000
Due from other funds	-	-	-	-	-	-	87
TOTAL ASSETS	<u>\$ 28,796</u>	<u>\$ 5,743</u>	<u>\$ 15,923</u>	<u>\$ 2,487</u>	<u>\$ 15,834</u>	<u>\$ 1,718</u>	<u>\$ 9,635</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	28,796	5,743	15,923	2,487	15,834	1,718	9,635
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>28,796</u>	<u>5,743</u>	<u>15,923</u>	<u>2,487</u>	<u>15,834</u>	<u>1,718</u>	<u>9,635</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,796</u>	<u>\$ 5,743</u>	<u>\$ 15,923</u>	<u>\$ 2,487</u>	<u>\$ 15,834</u>	<u>\$ 1,718</u>	<u>\$ 9,635</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2021

	WM Stinson Jr. Memorial	Ciaravino School Fund	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Total
ASSETS					
Cash and cash equivalents	\$ 19,288	\$ 31,911	\$ -	\$ 15,855	\$ 156,316
Investments	-	-	34,618	2	2,297,502
Due from other funds	3,021	-	-	-	3,108
TOTAL ASSETS	<u>\$ 22,309</u>	<u>\$ 31,911</u>	<u>\$ 34,618</u>	<u>\$ 15,857</u>	<u>\$ 2,456,926</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	22,309	31,911	34,618	15,857	2,456,926
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>22,309</u>	<u>31,911</u>	<u>34,618</u>	<u>15,857</u>	<u>2,456,926</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,309</u>	<u>\$ 31,911</u>	<u>\$ 34,618</u>	<u>\$ 15,857</u>	<u>\$ 2,456,926</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Vincent Ciaravino Trust</u>	<u>Richard Warren Trust</u>	<u>Hermia Toothaker Trust</u>	<u>Donations Henry and Norma Zeike</u>	<u>Blaisdell/ Cuccinello Scholarship</u>	<u>Dorothy Smalley Scholarship</u>
REVENUES						
Investment income, net of unrealized gains/(losses)	\$ 1,464	\$ 896	\$ 11,419	\$ 3,196	\$ 2,051	\$ 113,640
Other	177	82	1,386	387	228	12,833
TOTAL REVENUES	<u>1,641</u>	<u>978</u>	<u>12,805</u>	<u>3,583</u>	<u>2,279</u>	<u>126,473</u>
EXPENDITURES						
Program expenses	71	35	555	155	591	13,268
TOTAL EXPENDITURES	<u>71</u>	<u>35</u>	<u>555</u>	<u>155</u>	<u>591</u>	<u>13,268</u>
NET CHANGE IN FUND BALANCES	1,570	943	12,250	3,428	1,688	113,205
FUND BALANCES - JULY 1	<u>8,507</u>	<u>4,491</u>	<u>66,369</u>	<u>18,576</u>	<u>10,887</u>	<u>599,216</u>
FUND BALANCES - JUNE 30	<u>\$ 10,077</u>	<u>\$ 5,434</u>	<u>\$ 78,619</u>	<u>\$ 22,004</u>	<u>\$ 12,575</u>	<u>\$ 712,421</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Worthington Scholarship</u>	<u>Alumni Scholarship</u>	<u>Pricilla Noddin Trust</u>	<u>Isidor Gordon Trust</u>	<u>Bontuit Scholarship</u>	<u>Miriam Pierce Scholarship</u>	<u>Ione Estes Scholarship</u>
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 194	\$ 1,933	\$ 14,946	\$ 2,016	\$ 2,593	\$ 3,854	\$ 2,931
Other	24	234	1,817	578	315	469	417
TOTAL REVENUES	<u>218</u>	<u>2,167</u>	<u>16,763</u>	<u>2,594</u>	<u>2,908</u>	<u>4,323</u>	<u>3,348</u>
EXPENDITURES							
Program expenses	<u>10</u>	<u>93</u>	<u>2,728</u>	<u>98</u>	<u>126</u>	<u>688</u>	<u>167</u>
TOTAL EXPENDITURES	<u>10</u>	<u>93</u>	<u>2,728</u>	<u>98</u>	<u>126</u>	<u>688</u>	<u>167</u>
NET CHANGE IN FUND BALANCES	208	2,074	14,035	2,496	2,782	3,635	3,181
FUND BALANCES - JULY 1	<u>1,126</u>	<u>11,235</u>	<u>87,847</u>	<u>46,710</u>	<u>15,073</u>	<u>22,656</u>	<u>20,196</u>
FUND BALANCES - JUNE 30	<u>\$ 1,334</u>	<u>\$ 13,309</u>	<u>\$ 101,882</u>	<u>\$ 49,206</u>	<u>\$ 17,855</u>	<u>\$ 26,291</u>	<u>\$ 23,377</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Frederick and Claudette V Scholarship	Seekins Scholarship	Hunter Scholarship	Goss Ruggles Scholarship	Harjula Scholarship	Moran Scholarship	Gutoske Scholarship
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 926	\$ 33,328	\$ 18,156	\$ 111,546	\$ 2,534	\$ 2,118	\$ 619
Other	112	3,359	1,828	11,232	255	213	62
TOTAL REVENUES	<u>1,038</u>	<u>36,687</u>	<u>19,984</u>	<u>122,778</u>	<u>2,789</u>	<u>2,331</u>	<u>681</u>
EXPENDITURES							
Program expenses	44	8,616	1,381	11,913	623	102	30
TOTAL EXPENDITURES	<u>44</u>	<u>8,616</u>	<u>1,381</u>	<u>11,913</u>	<u>623</u>	<u>102</u>	<u>30</u>
NET CHANGE IN FUND BALANCES	994	28,071	18,603	110,865	2,166	2,229	651
FUND BALANCES - JULY 1	<u>5,382</u>	<u>186,082</u>	<u>100,827</u>	<u>620,069</u>	<u>14,146</u>	<u>11,752</u>	<u>3,434</u>
FUND BALANCES - JUNE 30	<u>\$ 6,376</u>	<u>\$ 214,153</u>	<u>\$ 119,430</u>	<u>\$ 730,934</u>	<u>\$ 16,312</u>	<u>\$ 13,981</u>	<u>\$ 4,085</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Brasier Scholarship</u>	<u>Magrogan Scholarship</u>	<u>Stone Scholarship</u>	<u>Griffith Scholarship</u>	<u>Carignan Scholarship</u>	<u>Daggett Trust</u>	<u>Crockett Trust</u>
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 1,294	\$ 1,622	\$ 624	\$ 3,263	\$ 6,387	\$ 905	\$ 34
Other	131	164	63	328	644	91	4
TOTAL REVENUES	<u>1,425</u>	<u>1,786</u>	<u>687</u>	<u>3,591</u>	<u>7,031</u>	<u>996</u>	<u>38</u>
EXPENDITURES							
Program expenses	564	79	30	158	810	44	2
TOTAL EXPENDITURES	<u>564</u>	<u>79</u>	<u>30</u>	<u>158</u>	<u>810</u>	<u>44</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	861	1,707	657	3,433	6,221	952	36
FUND BALANCES - JULY 1	<u>7,268</u>	<u>9,001</u>	<u>3,464</u>	<u>18,106</u>	<u>35,528</u>	<u>5,020</u>	<u>186</u>
FUND BALANCES - JUNE 30	<u>\$ 8,129</u>	<u>\$ 10,708</u>	<u>\$ 4,121</u>	<u>\$ 21,539</u>	<u>\$ 41,749</u>	<u>\$ 5,972</u>	<u>\$ 222</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Killeran Scholarship</u>	<u>Billy Hoch Scholarship</u>	<u>Mildred Merrill Trust</u>	<u>Dylan Meklin Memorial</u>	<u>Raymond Willis Dow Trust</u>	<u>William Holden Trust</u>	<u>Lindsey Memorial Scholarship</u>
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 4,425	\$ -	\$ 2,312	\$ -	\$ 1,542	\$ 250	\$ -
Other	446	85	281	4	570	30	1,091
TOTAL REVENUES	<u>4,871</u>	<u>85</u>	<u>2,593</u>	<u>4</u>	<u>2,112</u>	<u>280</u>	<u>1,091</u>
EXPENDITURES							
Program expenses	715	-	112	-	106	12	725
TOTAL EXPENDITURES	<u>715</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>106</u>	<u>12</u>	<u>725</u>
NET CHANGE IN FUND BALANCES	4,156	85	2,481	4	2,006	268	366
FUND BALANCES - JULY 1	<u>24,640</u>	<u>5,658</u>	<u>13,442</u>	<u>2,483</u>	<u>13,828</u>	<u>1,450</u>	<u>9,269</u>
FUND BALANCES - JUNE 30	<u>\$ 28,796</u>	<u>\$ 5,743</u>	<u>\$ 15,923</u>	<u>\$ 2,487</u>	<u>\$ 15,834</u>	<u>\$ 1,718</u>	<u>\$ 9,635</u>

REGIONAL SCHOOL UNIT NO. 13

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	WM Stinson Jr. Memorial	Ciaravino School Fund	Barbara Nelson Coffin Scholarship	Joseph B. Pellacani Scholarship	Total
REVENUES					
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ 2	\$ 353,020
Other	29	347	42	-	40,358
TOTAL REVENUES	<u>29</u>	<u>347</u>	<u>42</u>	<u>2</u>	<u>393,378</u>
EXPENDITURES					
Program expenses	1,005	-	-	175	45,831
TOTAL EXPENDITURES	<u>1,005</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>45,831</u>
NET CHANGE IN FUND BALANCES	(976)	347	42	(173)	347,547
FUND BALANCES - JULY 1	<u>23,285</u>	<u>31,564</u>	<u>34,576</u>	<u>16,030</u>	<u>2,109,379</u>
FUND BALANCES - JUNE 30	<u>\$ 22,309</u>	<u>\$ 31,911</u>	<u>\$ 34,618</u>	<u>\$ 15,857</u>	<u>\$ 2,456,926</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2021

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Total
Regular education	\$ 110,022	\$ 31,485,414	\$ 11,502,113	\$ 43,097,549
Maintenance and operations	49,118	10,322,702	1,295,737	11,667,557
Transportation	-	-	1,967,617	1,967,617
Administration	-	-	276,416	276,416
School lunch program	-	-	189,520	189,520
	<hr/>	<hr/>	<hr/>	<hr/>
Total General Capital Assets	159,140	41,808,116	15,231,403	57,198,659
Less: Accumulated Depreciation	<hr/> -	<hr/> (9,241,187)	<hr/> (6,234,985)	<hr/> (15,476,172)
Net General Capital Assets	<hr/> <u>\$ 159,140</u>	<hr/> <u>\$ 32,566,929</u>	<hr/> <u>\$ 8,996,418</u>	<hr/> <u>\$ 41,722,487</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2021

	General Capital Assets 7/1/20	Additions	Deletions	General Capital Assets 6/30/21
Regular education	\$ 42,991,563	\$ 105,986	\$ -	\$ 43,097,549
Maintenance and operations	11,583,257	84,300	-	11,667,557
Transportation	1,366,962	600,655	-	1,967,617
Administration	268,517	7,899	-	276,416
School lunch program	189,520	-	-	189,520
Total General Capital Assets	56,399,819	798,840	-	57,198,659
Less: Accumulated Depreciation	<u>(13,657,135)</u>	<u>(1,819,037)</u>	<u>-</u>	<u>(15,476,172)</u>
Net General Capital Assets	<u>\$ 42,742,684</u>	<u>\$ (1,020,197)</u>	<u>\$ -</u>	<u>\$ 41,722,487</u>

See accompanying independent auditors' report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 13

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

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture Passed-through State of Maine - Department of Education:				
Child and Adult Care Food Program	10.558	6658/6661	\$ -	\$ 15,989
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	3016	-	773,249
Subtotal Child Nutrition Cluster			-	773,249
Food Distribution Cluster:				
Commodity Supplemental Food Program	10.565	N/A	-	49,460
Subtotal Food Distribution Cluster			-	49,460
Fresh Fruit and Vegetable Program	10.582	3028	-	9,179
Total U.S. Department of Agriculture			-	847,877
U.S. Department of Education Passed-through State of Maine - Department of Education:				
Title I Grants to Local Educational Agencies	84.010	3107	-	802,634
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	3046	-	393,139
Special Education Preschool Grants	84.173	6247	-	12,840
Subtotal Special Education Cluster (IDEA)			-	405,979
Twenty-First Century Community Learning Centers	84.287	3356	-	254,492
Rural Education	84.358	3305	-	174,999
Education Stabilization Fund	84.425D	7006	-	200,761
Total U.S. Department of Education			-	1,838,865
U.S. Department of Treasury Passed-through State of Maine - Department of Education:				
Coronavirus Relief Fund	21.019	N/A	-	2,779,023
Total U.S. Department of Treasury			-	2,779,023
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 5,465,765

REGIONAL SCHOOL UNIT NO. 13

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Regional School Unit No. 13 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional School Unit No. 13, it is not intended to and does not present the financial position, changes in net position or cash flows of the Regional School Unit No. 13.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Regional School Unit No. 13 has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Food Donation Program

The Regional School Unit No. 13 reports commodities consumed on the Schedule at the fair value (or entitlement value). The Government allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.



Proven Expertise & Integrity

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

Board of Directors
Regional School Unit No. 13
Rockland, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 13 as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Regional School Unit No. 13's basic financial statements and have issued our report thereon dated February 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional School Unit No. 13's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 13's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 13's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under Government Auditing Standards. We noted certain other matters that we reported to management of Regional School Unit No. 13 in a separate letter dated January 12, 2022.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
February 21, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Regional School Unit No. 13
Rockland, Maine

Report on Compliance for Each Major Federal Program

We have audited Regional School Unit No. 13's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Regional School Unit No. 13's major federal programs for the year ended June 30, 2021. Regional School Unit No. 13's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Regional School Unit No. 13's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit No. 13's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Regional School Unit No. 13's compliance.

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies (84.010) and Coronavirus Relief Fund (21.019)

As described in the accompanying schedule of findings and questioned costs, Regional School Unit No. 13 did not comply with requirements regarding ALNs 84.010 and 21.019 as described in finding numbers 2021-001, 2021-002 and 2021-003.

Compliance with such requirements is necessary, in our opinion, for Regional School Unit No. 13 to comply with the requirements applicable to that Program.

Qualified Opinion on Title I Grants to Local Educational Agencies (84.010) and Coronavirus Relief Fund (21.019)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Regional School Unit No. 13 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies (84.010) and Coronavirus Relief Fund (21.019) for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Regional School Unit No. 13 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Regional School Unit No. 13's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 13's internal control over compliance.

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

A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001, 2021-002 and 2021-003 to be significant deficiencies.

Regional School Unit No. 13's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Regional School Unit No. 13's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

RHR Smith & Company

Buxton, Maine
February 21, 2022

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title 1 Grants to Local Educational Agencies
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

NONE

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Section III - Federal Awards Findings and Questioned Costs

SIGNIFICANT DEFICIENCIES

2021-001 - Allowable Costs

Federal Program Information:

Department of Education:

ALN 84.010 - Title I Grants to Local Educational Agencies

Criteria: The following CFR(s) apply to this finding: 2 CFR 200.403(g).

Condition: During audit procedures, it was identified that the RSU did not have employee contracts or documented wage basis for employees.

Cause: The RSU does not have the necessary internal controls over compliance.

Effect: The RSU is not utilizing contracts or wage agreements for all employees in federal programs which results in documentation being adequately documented.

Identification of Questioned Costs: None identified.

Context: Out of a population of approximately 13, we tested 12 employees of which 3 employees did not have supporting documentation for Title I.

Repeat Finding: This is a repeat finding; 2020-001

Recommendation: It is recommended that the RSU 13 implement internal control processes and procedures to maintain contracts and/or wage basis documentation for all employees.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by RSU 13.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Section III - Federal Awards Findings and Questioned Costs (Continued)

2021-002 - Allowable Costs

Federal Program Information:

Department of Education:

ALN 84.010 - Title I Grants to Local Educational Agencies

ALN 21.019 - Coronavirus Relief Fund

Criteria: The following CFR(s) apply to this finding: 2 CFR 200.430(i)(1)(vii)

Condition: During audit procedures, it was identified that time and effort certifications for some employees were not available or were not completed accurately.

Cause: The RSU does not have the necessary internal controls over compliance.

Effect: Salary costs in excess of work may be claimed, leading to questioned costs.

Identification of Questioned Costs: None identified.

Context: Out of a population of approximately 13, we tested 13 employees, of which 1 employee did not have any time and effort documentation for the Title I program. Additionally, 3 of those 13 employees tested under Title I and were included in Title I semi-annual certification as working 100% under Title I however, they also worked under another funding source. Additionally, the time documentation was not clear as to hours that were worked and expended to the Coronavirus Relief Fund.

Repeat Finding: This is a repeat finding, 2020-003

Recommendation: It is recommended that the RSU implement procedures that cross references employee listing by program to time and effort semiannual certification or personal activity reports to ensure all employees under all programs have completed time and effort documentation.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by RSU 13.

REGIONAL SCHOOL UNIT NO. 13

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Section III - Federal Awards Findings and Questioned Costs (Continued)

2021-003 - Allowable Costs

Criteria: The following CRF(s) apply to this finding: 2 CFR 200.303

Condition: During audit procedures, it was identified that purchases of goods, materials and equipment were done without the documentation of the procurement method chosen and there was no documentation to show that vendors were checked for suspension and debarment. RSU No.13 has a policy that outlines that these steps are to be taken when purchasing with Federal Funds.

Cause: The RSU does not have the necessary internal controls over compliance.

Effect: Some of the items purchased could lead to questioned costs.

Identification of Questioned Costs: None identified.

Context: Out of a population of over 250 transactions, there were 65 transactions reviewed and the documentation of procurement method and suspension and debarment research was not provided.

Repeat finding: This is not a repeat finding.

Recommendation: It is recommended that the RSU follow their Federal Procurement Manual as written and updated.

Views of Responsible Officials and Corrective Action Plan: Please see the Corrective Action Plan issued by RSU 13.



INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Directors
Regional School Unit No. 13
Rockland, Maine

We have audited the financial statements of the Regional School Unit No. 13 for the year ended June 30, 2021 and have issued our report thereon dated February 21, 2022. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition we have reviewed the Regional School Unit No. 13's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Regional School Unit No. 13, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Regional School Unit No. 13 was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Regional School Unit No. 13 and have attached the following schedule as it relates to the reconciliation of audit adjustments to the initial annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

This report is intended solely for the information of the Board of Directors, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
February 21, 2022

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REGIONAL SCHOOL UNIT NO. 13

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund (1000)	Special Revenue Funds (1500), (2000), (6000) & (9000)	Capital Projects Funds (3000) & (4000)	Total
June 30 Balance per MEFS	\$ (1,991,281)	\$ (19,093)	\$ 92,628	\$ (1,917,746)
Other Adjustments:				
Fund balance	(121,578)	-	-	(121,578)
Insurance Claims (2002)	-	2,285	-	2,285
Restricted Grants Local (2020)	-	30,330	-	30,330
Worthington Grant (2090)	-	4,465	-	4,465
Anonimo (2160)	-	13,848	-	13,848
Title IA (2300)	-	(1,099)	-	(1,099)
IDEA B (2470)	-	(240)	-	(240)
ESSERF (2605)	-	(6,607)	-	(6,607)
CRF #1 (2606)	-	(110,953)	-	(110,953)
CRF #2 (2609)	-	34,895	-	34,895
ESSERF (2615)	-	(51,616)	-	(51,616)
School lunch (2930)	-	(271)	-	(271)
Adult Ed Enrichment (6150)	-	7,167	-	7,167
Adult Ed Travel (6160)	-	1,154	-	1,154
MCASS Fund (9710)	-	2,095	-	2,095
Student Activities	-	60,757	-	60,757
School of Our Future	-	-	(12,920)	(12,920)
Audited GAAP Basis Fund Balance June 30	<u>\$ (2,112,859)</u>	<u>\$ (32,883)</u>	<u>\$ 79,708</u>	<u>\$ (2,066,034)</u>