

FIVE TOWN CSD

Annual Financial Report

For the Year Ended June 30, 2016

**FIVE TOWN CSD
Financial Statements
For the Year Ended June 30, 2016**

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

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Independent Auditor's Report

Board of Directors
Five Town CSD

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Five Town CSD, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Five Town CSD, as of June 30, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 21, 2016 on our consideration of Five Town CSD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Five Town CSD's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Ryan Keston Ouellette". The signature is written in a cursive style with a large initial 'R'.

October 21, 2016
South Portland, Maine

FIVE TOWN CSD
Management's Discussion and Analysis
June 30, 2016

In this section of the Annual Financial Report, the managers of Five Town CSD discuss and analyze the District's financial performance for the fiscal year ended June 30, 2016. Please read it in conjunction with the Independent Auditor's Report on pages 1-3, and the District's Basic Financial Statements which begin on page 10.

Financial Highlights

The District's net position for FY 2016 was \$12,583,802; an increase of \$561,948 over last year as a result of this year's operations.

During the year, the District had expenses that were \$561,948 less than the \$14,011,226 revenues generated in tax and other revenues.

The General Fund ended the year with a \$(297,321) GAAP balance compared to last year's balance of \$(242,930), which includes the accrued teacher summer salaries amounts.

Long-term debt has decreased by \$1,027,166 as the District continues to pay down the debt services for previous construction projects and add capital leases on a yearly basis.

Using this Annual Report

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

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

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

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

Reporting on the District as a Whole

The Statement of Net Position and the Statement of Activities

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

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

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

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 13 and provide detailed information about the most significant funds- not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes. The District has two types of funds, Governmental and Fiduciary. Both types are discussed in more detail in the following paragraphs.

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

The District as Trustee

Reporting the District's Fiduciary Responsibilities

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

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

NET POSITION
Governmental Activities

	2016	2015
Current and other assets	\$ 1,955,687	\$ 1,926,248
Capital assets	17,673,383	18,225,791
Total assets	19,629,070	20,152,039
Deferred outflows related to pensions	238,234	193,009
Long-term liabilities	5,967,176	6,994,342
Other liabilities	1,309,518	1,297,653
Total liabilities	7,276,694	8,291,995
Deferred inflows related to pensions	6,808	31,199
Net investment in capital assets	11,906,736	11,547,700
Restricted	501,717	421,427
Unrestricted	175,349	52,727
Total net position	\$ 12,583,802	\$ 12,021,854

CHANGE IN NET POSITION
Governmental Activities

	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 939,719	\$ 713,647
Operating grants and contributions	1,155,022	1,351,174
Capital grants and contributions	-	-
General revenues:		
Local assessments	10,370,292	10,157,005
Local assessments - Adult Education	212,991	207,264
State allocations	1,329,874	1,192,263
Investment earnings	1,212	1,263
Miscellaneous/loss on disposal	2,116	22,616
Total revenues	14,011,226	13,645,232
Expenses:		
Instruction	4,690,595	4,335,391
Special education	988,352	1,136,679
Vocational programs	1,016,246	1,052,640
Other Instruction	415,285	398,967
Student and staff support	1,112,636	1,005,110
Transportation	368,246	382,140
Administration	894,703	793,850
Operation and maintenance of plant	1,613,960	1,666,987
Maine PERS - on-behalf payments	655,562	726,478
Program expenditures	871,406	990,335
Food service	419,032	422,419
Capital maintenance	80,807	-
Debt service interest	322,448	392,207
Total expenses	13,449,278	13,303,203
Change in net position	\$ 561,948	\$ 342,029

FIVE TOWN CSD
Management's Discussion and Analysis, Continued

Net position of the District's governmental activities increased \$561,948. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - was \$161,887 at June 30, 2016.

The District's total revenues increased 2.6%. The total cost of all programs and services was \$13,449,278.

The District increased the local assessment by an average of 2.11%.

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet in Statement 3) reported a combined fund balance of \$701,789.

The District's General Fund deficit of \$(297,321) reported on Statement 4 occurs due to auditing standards that require accrued summer wages to be included in the prior year's budget. The District reports certain revenues and expenditures in different periods for statutory and financial reporting purposes. The District books and the State of Maine MEDMS data accurately state a balance of \$812,378 for the General Fund.

Capital Asset and Debt Administration

Capital Assets

Significant capital asset additions during 2016 included:

New roof on academic wing - \$41,160
Additional rooms CHRHS second floor - \$23,850
Lights Strom Auditorium - \$20,446 (donated by Friends of the CSD)

Debt

At year-end, the District had \$5,766,647 in bonds outstanding and capital leases.

Economic Factors and Next Year's Budget and Rates

The Members of the District's Board of Directors approved a fiscal year 2016 budget of \$12,376,431, or a 2.6% increase with the local assessments to the towns decreasing by an average of (4.51)%.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Manager, Cathy Murphy or the Superintendent, Maria Libby, Five Town CSD, 7 Lions Lane, Camden, Maine 04843, or by phone at 207-236-3358.

BASIC FINANCIAL STATEMENTS

FIVE TOWN CSD
Statement of Net Position
June 30, 2016

	Governmental activities
ASSETS	
Cash and cash equivalents	\$ 268,296
Investments	1,438,176
Due from other governments	235,757
Inventory	13,458
Capital assets, not being depreciated	24,000
Capital assets, net	17,649,383
Total assets	19,629,070
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	238,234
Total deferred outflows of resources	238,234
LIABILITIES	
Accrued wages and benefits	1,136,865
Accounts payable	117,033
Accrued interest	55,620
Noncurrent liabilities:	
Due within one year	1,038,784
Due in more than one year	4,928,392
Total liabilities	7,276,694
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	6,808
Total deferred inflows of resources	6,808
NET POSITION	
Net investment in capital assets	11,906,736
Restricted	501,717
Unrestricted	175,349
Total net position	\$ 12,583,802

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Activities
For the year ended June 30, 2016

Function/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government Governmental activities
Governmental activities:					
Instruction	\$ 4,690,595	232,608	33,000	-	(4,424,987)
Special education	988,352	-	37,157	-	(951,195)
Vocational programs	1,016,246	-	-	-	(1,016,246)
Other instruction	415,285	-	-	-	(415,285)
Student and staff support	1,112,636	-	-	-	(1,112,636)
Transportation	368,246	-	-	-	(368,246)
Administration	894,703	-	-	-	(894,703)
Operation and maintenance of plant	1,613,960	-	-	-	(1,613,960)
Maine PERS - on-behalf payments	655,562	-	655,562	-	-
Program expenditures	871,406	430,814	318,399	-	(122,193)
Food service	419,032	276,297	110,904	-	(31,831)
Capital maintenance	80,807	-	-	-	(80,807)
Interest on debt	322,448	-	-	-	(322,448)
Total governmental activities	13,449,278	939,719	1,155,022	-	(11,354,537)
Total primary government	\$ 13,449,278	939,719	1,155,022	-	(11,354,537)

General revenues:	
Local assessments	\$ 10,370,292
Local assessments - Adult Education	212,991
State allocation	1,329,874
Investment earnings	1,212
Miscellaneous	74,403
Loss on disposal of assets	(72,287)
Total general revenues and loss on disposal	11,916,485
Change in net position	561,948
Net position--beginning	12,021,854
Net position--ending	\$ 12,583,802

See accompanying notes to basic financial statements.

**FIVE TOWN CSD
Balance Sheet
Governmental Funds
June 30, 2016**

	General Fund	School Lunch Fund	Capital Reserve	Other Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 224,335	1,100	-	42,861	268,296
Investments	1,438,176	-	-	-	1,438,176
Due from other governments	38,927	5,295	-	191,535	235,757
Inventory	-	13,458	-	-	13,458
Interfund receivables	-	-	543,050	498,537	1,041,587
Total assets	\$ 1,701,438	19,853	543,050	732,933	2,997,274
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued wages and benefits	1,109,699	11,207	-	15,959	1,136,865
Accounts payable	55,852	-	-	27,822	83,674
Unearned revenue	-	4,389	-	-	4,389
Interfund payables	833,208	49,914	-	187,435	1,070,557
Total liabilities	1,998,759	65,510	-	231,216	2,295,485
Fund balances (deficits):					
Restricted by grantors and donors	-	-	-	501,717	501,717
Committed - capital reserve	-	-	400,000	-	400,000
Assigned	-	-	143,050	-	143,050
Unassigned	(297,321)	(45,657)	-	-	(342,978)
Total fund balances (deficit)	(297,321)	(45,657)	543,050	501,717	701,789
Total liabilities and fund balances	\$ 1,701,438	19,853	543,050	732,933	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,673,383
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(55,620)
Legal judgments against the District	(70,000)
Net pension liability, including deferred outflows and inflows of resources	100,897
Capital leases	(118,001)
Bonds payable	(5,648,646)

Net position of governmental activities	\$ 12,583,802
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See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2016

	General Fund	School Lunch Fund	Capital Reserve	Other Governmental Funds	Totals
Revenues:					
Local assessments	\$ 10,370,292	-	-	212,991	10,583,283
Intergovernmental	2,055,593	110,904	-	318,399	2,484,896
Charges for services	232,608	276,297	-	183,954	692,859
Interest earned	1,212	-	-	1,698	2,910
Other revenues	74,403	-	-	245,162	319,565
Total revenues	12,734,108	387,201	-	962,204	14,083,513
Expenditures:					
Current:					
Instruction	4,708,785	-	-	-	4,708,785
Special education	1,144,352	-	-	-	1,144,352
Vocational programs	1,016,246	-	-	-	1,016,246
Other instruction	415,285	-	-	-	415,285
Student and staff support	1,112,636	-	-	-	1,112,636
Transportation	368,246	-	-	-	368,246
Administration	894,703	-	-	-	894,703
Operation and maintenance of plant	1,144,525	-	-	-	1,144,525
Maine PERS - on-behalf payments	655,562	-	-	-	655,562
Program expenditures	-	-	-	871,406	871,406
Food service	-	427,354	-	-	427,354
Debt service	1,273,159	-	-	-	1,273,159
Capital outlay	94,154	-	42,950	-	137,104
Total expenditures	12,827,653	427,354	42,950	871,406	14,169,363
Excess (deficiency) of revenues over (under) expenditures	(93,545)	(40,153)	(42,950)	90,798	(85,850)
Other financing sources:					
Proceeds from capital leases	94,154	-	-	-	94,154
Transfer in	-	5,000	50,000	-	55,000
Transfer out	(55,000)	-	-	-	(55,000)
Total other financing sources	39,154	5,000	50,000	-	94,154
Net change in fund balances	(54,391)	(35,153)	7,050	90,798	8,304
Fund balances (deficits), beginning of year	(242,930)	(10,504)	536,000	410,919	693,485
Fund balances (deficits), end of year	\$ (297,321)	(45,657)	543,050	501,717	701,789

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2016

Net change in fund balances--total governmental funds (from Statement 4)	\$	8,304
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$605,981) and loss on disposal of assets (\$72,287) exceeded capital outlays (\$125,860).		(552,408)
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Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal repayments on bonds and leases (\$1,005,598) exceeded proceeds (\$94,154).		911,444
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the decrease in net pension liability with related deferred inflows and outflows of resources.		29,338
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the decrease in accrued interest (\$9,270) and the decrease in legal judgements against the District (\$156,000).		165,270
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Change in net position of governmental activities (see Statement 2)	\$	561,948
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See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2016

	General Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 10,370,292	10,370,292	10,370,292	-
Intergovernmental	1,306,833	1,306,833	1,400,031	93,198
Charges for services	205,270	205,270	232,608	27,338
Interest earned	2,500	2,500	1,212	(1,288)
Other revenues	32,000	32,000	74,403	42,403
Total revenues	11,916,895	11,916,895	12,078,546	161,651
Expenditures:				
Current:				
Instruction	4,601,001	4,596,757	4,557,061	39,696
Special education	984,108	1,144,352	1,144,352	-
Vocational programs	1,016,246	1,016,246	1,016,246	-
Other instruction	421,640	421,640	415,285	6,355
Student and staff support	1,113,409	1,113,409	1,112,636	773
Transportation	394,283	394,283	368,246	26,037
Administration	863,345	863,345	855,733	7,612
Operation and maintenance of plant	1,338,524	1,338,524	1,144,525	193,999
Undistributed	50,000	50,000	38,970	11,030
Debt service	1,273,159	1,273,159	1,273,159	-
Total expenditures	12,055,715	12,211,715	11,926,213	285,502
Excess (deficiency) of revenues over (under) expenditures	(138,820)	(294,820)	152,333	447,153
Other financing sources (uses):				
Transfer to food service	(5,000)	(5,000)	(5,000)	-
Use of fund balance	143,820	299,820	-	(299,820)
Total other financing sources (uses)	138,820	294,820	(5,000)	(299,820)
Net change in fund balance - budgetary basis	-	-	147,333	147,333
Reconciliation to GAAP basis:				
Transfer to capital reserve			(50,000)	(50,000)
Change in accrued teacher summer salaries and accrued hourly payroll			(151,724)	(151,724)
Net change in fund balance - GAAP basis			(54,391)	(54,391)
Fund balance (deficit), beginning of year			(242,930)	
Fund balance (deficit), end of year			\$ (297,321)	

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	500,360	190,635
Interfund receivables		28,970	-
Total assets	\$	529,330	190,635
LIABILITIES AND NET POSITION			
Liabilities:			
Due to student groups and other organizations		-	190,635
Total liabilities		-	190,635
Net position:			
Held in trust		529,330	-
Total net position		529,330	-
Total liabilities and net position	\$	529,330	190,635

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2016

		Private- purpose Trust Funds
Additions:		
Contributions	\$	61,797
Interest and dividends		2,542
Total additions		64,339
Deductions:		
Scholarships and other		48,800
Change in net position		15,539
Net position, beginning of year		513,791
Net position, end of year	\$	529,330

See accompanying notes to basic financial statements.

FIVE TOWN CSD
Notes to Basic Financial Statements

THE REPORTING ENTITY

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-wide Financial Statements:

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

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

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

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

2. Fiduciary and Agency Fund Types:

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

C. Measurement Focus

1. Government-wide Financial Statements:

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

2. Fund Financial Statements

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

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

D. Basis of Accounting

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

1. Revenues - Exchange and Non-exchange Transactions:

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

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

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

2. Expenses/Expenditures:

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

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

E. Budgetary Accounting

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- G. Interfund Transactions** - During the course of normal operations, the District has several transactions between funds. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.
- H. Inventories** - Food services inventories are valued at the lower of cost (first-in, first-out basis) or market, and are offset with a reserve for inventories. Inventories include the value of the U.S. Department of Agriculture commodities donated to the School Lunch Fund.
- I. Capital Assets** - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The District does not possess any material infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

- J. Compensated Absences** - Under terms of union contracts and personnel administration policies, employees are granted vacation and sick time in varying amounts. Vacation time must be used by June 30th and sick time is only paid out to certain ed techs and secretaries who meet specific retirement criteria specified in the union contract.
- K. Use of Estimates** - Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.
- L. Fund Balance** - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:
- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
 - *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
 - *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

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

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

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

B. Deficit Fund Balance - At June 30, 2016, the following funds had a deficit fund balance:

General Fund	\$ 297,321
Special Revenue Funds:	
School Lunch Fund	45,657

These deficits will be funded by future operating revenues.

RISK MANAGEMENT

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

Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2016.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-District Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2016, the District reported deposits of \$959,291 with a bank balance of \$962,848. As of June 30, 2016, \$524,118 of the District's bank balance of \$962,848 was exposed to custodial credit risk as it was collateralized by underlying securities held by the bank, but the securities were not in the District's name. The remaining \$438,730 was covered by F.D.I.C. insurance.

Deposits have been reported as follows:

Reported in governmental funds	\$ 268,296
Reported in fiduciary funds	690,995
Total deposits	\$ 959,291

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

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

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

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

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Repurchase agreements	\$ 1,438,176	1,438,176	-	-
Total investments	\$ 1,438,176	1,438,176	-	-

Investments have been reported as follows:

<u>Reported in governmental funds</u>	<u>\$ 1,438,176</u>
Total investments	\$ 1,438,176

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

Custodial Credit Risk-District's investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$1,438,176 investment in repurchase agreements, 100% was subject to custodial credit risk because it was collateralized by underlying securities held by the related bank, which were not in the District's name.

INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables at June 30, 2016 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	833,208
School Lunch Fund	-	49,914
Capital Reserve Fund	543,050	-

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

INTERFUND RECEIVABLES AND PAYABLES, CONTINUED

Nonmajor special revenue funds:		
Adult Education	\$ 70,070	-
School Categorical Funds	-	187,435
MaineCare Fund	1,046	-
F1 Visa Fund	137,631	-
Other programs	289,790	-
Total special revenue funds	498,537	187,435
Fiduciary funds:		
Private-purpose trust funds	28,970	-
Total fiduciary funds	28,970	-
Total all funds	\$ 1,070,557	1,070,557

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2016 were as follows:

	Transfers <u>in</u>	Transfers <u>out</u>
General fund	\$ -	55,000
Major special revenue funds:		
School lunch fund	5,000	-
Capital reserve fund	50,000	-
Total major special revenue funds	55,000	-
Total transfers	\$ 55,000	55,000

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

LOCAL ASSESSMENTS

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

The assessment for the year ended June 30, 2016 is as follows:

	<u>General Fund</u>	<u>Adult Education</u>
Town of Appleton	\$ 445,923	9,159
Town of Camden	3,809,008	78,231
Town of Hope	601,477	12,375
Town of Lincolnville	1,673,765	34,398
Town of Rockport	3,840,119	78,828
Totals	\$ 10,370,292	212,991

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

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

	Balance <u>6/30/15</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/16</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,000	-	-	24,000
Total capital assets, not being depreciated	24,000	-	-	24,000
Capital assets, being depreciated:				
Buildings and improvements	25,232,951	67,837	17,607	25,283,181
Equipment	899,148	58,023	84,143	873,028
Furniture and fixtures	170,837	-	23,049	147,788
Total capital assets, being depreciated	26,302,936	125,860	124,799	26,303,997
Less accumulated depreciation:				
Buildings and improvements	(7,635,718)	(545,053)	(1,541)	(8,179,230)
Equipment	(337,978)	(53,246)	(37,004)	(354,220)
Furniture and fixtures	(127,449)	(7,682)	(13,967)	(121,164)
Total accumulated depreciation	(8,101,145)	(605,981)	(52,512)	(8,654,614)
Capital assets, being depreciated, net	18,201,791	(480,121)	72,287	17,649,383
Governmental activities capital assets, net	\$ 18,225,791	(480,121)	72,287	17,673,383

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 11,148
Food service	1,960
Operations and maintenance of plant	592,873
Total depreciation expense	\$ 605,981

LONG-TERM DEBT

A. Changes in Long-term Liabilities

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

	Beginning <u>balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
Bonds payable	\$ 6,590,087	-	941,441	5,648,646	941,441
Capital leases	88,004	94,154	64,157	118,001	62,343
Litigation claims	226,000	-	156,000	70,000	35,000
Net pension liability	90,251	40,278	-	130,529	-
Governmental activities long-term liabilities	\$ 6,994,342	134,432	1,161,598	5,967,176	1,038,784

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

B. Bonds

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

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/16</u>
High School construction	8/2/99	\$ 18,828,817	Varies	10/25/21	5,648,646
Total bonds payable					\$ 5,648,646

C. Capital Leases

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

	<u>Governmental Activities</u>
Lighting retrofit	\$ 61,207
Computers	124,772
Copiers	13,347

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

	<u>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/16</u>
Capital leases payable:					
Lighting retrofit	1/12/15	\$ 61,207	2.72%	7/12/17	40,797
Computers - 2014	7/19/13	13,671	3.00%	8/15/16	3,473
Computers - 2015	9/20/14	30,294	2.85%	10/15/16	10,115
Copiers	8/25/15	13,347	2.83%	8/25/20	10,447
Computers #1 - 2016	9/15/15	63,527	3.08%	10/15/17	41,811
Computers #2 - 2016	11/5/15	17,280	3.00%	11/15/17	11,358
Total capital leases payable					\$ 118,001

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2016 are as follows:

<u>Year ended June 30,</u>	<u>Capital leases</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 62,343	3,587	941,441	287,667
2018	50,214	1,734	941,441	232,100
2019	2,664	235	941,441	177,205
2020	2,780	120	941,441	83,430
2021	-	-	941,441	55,620
2022	-	-	941,441	27,810
Totals	\$118,001	5,676	5,648,646	863,832

All debt service requirements are paid by the General Fund.

The statutes of the State of Maine provide, in part, that the aggregate principal amount of bonds and notes issued by a School Administrative District for capital outlay purposes shall not exceed, at any one time outstanding, the limit of indebtedness of the sum of 10% of the total of the last preceding state valuation of the member municipalities, plus an amount set by the State Board of Education at the time of initial approval of the school construction project not to exceed 4% of the state valuation of the participating municipalities. At June 30, 2016, the District's direct debt of \$5,648,646 was within the minimum statutory limit of 10% of the five participating municipalities.

STATE REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Benefits Provided - The SET Plan provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by statute.

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

Maine statute requires the State to contribute a portion of the District's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The District's contractually required contribution rate for the year ended June 30, 2016, was 13.38% of annual payroll of which 3.36% of payroll was required from the School District and 10.02% was required from the State. Contributions to the pension plan from the District were \$175,513 for the year ended June 30, 2016.

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

The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The District's proportion of the net pension liability was based on projections of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating School Administrative Districts and the State.

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

District's proportionate share of the net pension liability	\$ 130,529
State's proportionate share of the net pension liability associated with the District	5,494,004
Total	\$ 5,624,533

At June 30, 2015, the District's proportion of the SET Plan was 0.0097%.

For the year ended June 30, 2016, the District recognized pension expense of \$669,580 and revenue of \$523,405 for support provided by the State for the SET Plan.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	906
Changes of assumptions	3,596	-
Net difference between projected and actual earnings on pension plan investments	-	5,902
Changes in proportion and differences between District contributions and proportionate share of contributions	59,125	-
District contributions subsequent to the measurement date	175,513	-
Total	\$ 238,234	\$ 6,808

An amount of \$175,513 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ 51,605
2018	1,673
2019	(4,269)
2020	6,904

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

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

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

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

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

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

<u>SET Plan</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
District's proportionate share of the net pension liability	\$ 228,526	\$ 130,529	\$ 48,909

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

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

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

BUDGETARY ACCOUNTING

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

Fund balance - June 30, 2016 - GAAP basis (Statement 4)	\$ (297,321)
Teacher summer salaries and accrued hourly payroll and benefits	1,109,699
Fund balance, June 30, 2016 - budgetary basis	\$ 812,378

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

Additionally, as required by accounting principles generally accepted in the United States of America, the District has recorded a revenue and expenditure for Maine Public Employees Retirement System contributions made by the State of Maine on behalf of the District. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$655,562. These amounts have been included as an intergovernmental revenue and an education expenditure in the General Fund on Statement 2 and Statement 4 (GAAP basis). There is no effect on the fund balance at the end of the year.

FUND BALANCE

As of June 30, 2016, fund balance components consisted of the following:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	-	- *
Capital Reserve	-	400,000	143,050
Special Revenue Funds:			
School Lunch	-	-	-
School Grants and Other Programs	501,721	-	-
Totals	\$ 501,721	400,000	143,050

*The actual amount of fund balance budgeted for the fiscal year 2017 budget is \$93,820. The School Board also voted to transfer \$125,000 of unused contingency into the Capital Maintenance reserve in 2017. The School District cannot assign an amount of funds if the result of that assignment would cause a deficit in unassigned fund balance.

FIVE TOWN CSD
Notes to Basic Financial Statements, Continued

NET POSITION

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

Capital assets	\$ 26,327,997
Accumulated depreciation	(8,654,614)
Bonds payable	(5,648,646)
Capital leases	(118,001)
<u>Total net investment in capital assets</u>	<u>\$ 11,906,736</u>

CONTINGENCIES

In the prior year there was litigation filed against the District that alleges the District did not provide adequate services and accommodations for a special needs student. This case was settled during mediation in the current year and the District is required to pay the student's family \$226,000 prior to August 1, 2017. \$156,000 of the settlement had been paid as of June 30, 2016. The remaining amount will be paid in installments prior to the agreed upon date. The District maintains insurance for such events and utilizes such proceeds as well as savings achieved in other areas to cover the cost of the required payment.

FIVE TOWN CSD
Required Supplementary Information

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

Last 10 Fiscal Years*

<u>SET Plan</u>	<u>2016**</u>	<u>2015**</u>
District's proportion of the net pension liability	0.0097%	0.0084%
District's proportionate share of the net pension liability	\$ 130,529	90,251
State's proportionate share of the net pension liability associated with the District	5,494,004	4,442,374
Total	5,624,533	4,532,625
District's covered-employee payroll	5,223,599	4,782,609
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	2.50%	1.89%
Plan fiduciary net position as a percentage of of the total pension liability	81.18%	83.91%

* Only two years of information available

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

FIVE TOWN CSD
Required Supplementary Information, Continued

Schedule of District Contributions
Maine Public Employees Retirement System State Employee and Teacher Plan (SETP)

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>SET Plan</u>			
Contractually required contribution	\$ 175,513	126,739	124,030
Contributions in relation to the contractually required contribution	(175,513)	(126,739)	(124,030)
<u>Contribution deficiency (excess)</u>	-	-	-
District's covered-employee payroll	5,223,599	4,782,609	4,680,371
Contributions as a percentage of covered- Employee payroll	3.36%	2.65%	2.65%

* *Only three years of information available*

FIVE TOWN CSD
Notes to Required Supplementary Information

Changes of Benefit Terms - None

Changes of Assumptions - None

COMBINING AND INDIVIDUAL FUND STATEMENTS

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

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

GENERAL FUND

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

**FIVE TOWN CSD
General Fund
Comparative Balance Sheets
June 30, 2016 and 2015**

	2016	2015
ASSETS		
Cash and equivalents	\$ 224,335	227,994
Investments	1,438,176	1,515,923
Due from other governments	38,927	20,282
Total assets	\$ 1,701,438	1,764,199
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages and benefits	1,109,699	957,975
Accounts payable	55,852	134,446
Interfund payables	833,208	914,708
Total liabilities	1,998,759	2,007,129
Fund balance (deficit):		
Unassigned	(297,321)	(242,930)
Total fund balance (deficit)	(297,321)	(242,930)
Total liabilities and fund balance	\$ 1,701,438	1,764,199

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2016
(with comparative actual amounts for June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Revenues:				
Local assessments:				
Camden	\$ 3,809,008	3,809,008	-	3,745,889
Rockport	3,840,119	3,840,119	-	3,791,583
Appleton	445,923	445,923	-	425,462
Hope	601,477	601,477	-	571,682
Lincolnvillev	1,673,765	1,673,765	-	1,622,389
Total local assessments	10,370,292	10,370,292	-	10,157,005
Intergovernmental:				
State allocation	1,209,225	1,329,874	120,649	1,192,263
State Agency Client grant	97,608	37,147	(60,461)	68,831
National Board Salary Supplement	-	33,000	33,000	30,000
Medicaid reimbursement	-	10	10	155
Total intergovernmental	1,306,833	1,400,031	93,198	1,291,249
Charges for services:				
Tuition	194,270	221,667	27,397	67,442
Athletic receipts	11,000	10,941	(59)	9,817
Total charges for services	205,270	232,608	27,338	77,259
Investment income:				
General investment earnings	2,500	1,212	(1,288)	1,263
Total investment income	2,500	1,212	(1,288)	1,263
Other revenues:				
HAL revenue - Curriculum ITS	5,000	2,350	(2,650)	(2,903)
Rentals	17,000	16,330	(670)	20,280
E-Rate revenue	-	4,131	4,131	2,762
Miscellaneous revenue	10,000	51,592	41,592	2,477
Total other revenues	32,000	74,403	42,403	22,616
Total revenues	11,916,895	12,078,546	161,651	11,549,392

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2016
(with comparative actual amounts for June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Expenditures:				
Current:				
Instruction:				
Instructional services 9-12	\$ 4,248,480	4,220,143	28,337	3,971,217
ESL	25,924	24,516	1,408	22,819
Instructional services - Horizon	54,603	44,578	10,025	41,856
Zenith program	267,750	267,824	(74)	253,845
Total instruction	4,596,757	4,557,061	39,696	4,289,737
Special education programs:				
Instructional services	781,833	880,973	(99,140)	754,216
Administration	264,816	258,531	6,285	86,227
State Agency Client grant	97,703	4,848	92,855	70,236
Total special education programs	1,144,352	1,144,352	-	910,679
Vocational programs	1,016,246	1,016,246	-	1,052,640
Other instruction - Extra/co-curricular	421,640	415,285	6,355	398,967
Student and staff support:				
Guidance 9-12	505,730	488,370	17,360	478,052
Health	91,842	92,209	(367)	89,391
Curriculum development	63,126	72,491	(9,365)	44,898
Library 9-12	50,498	93,426	(42,928)	48,715
Technical services	395,398	359,723	35,675	339,514
Assessment	6,815	6,417	398	4,540
Total student and staff support	1,113,409	1,112,636	773	1,005,110
Transportation	394,283	368,246	26,037	382,140
Administration:				
School Board	65,069	83,390	(18,321)	38,049
Business Office	130,991	131,378	(387)	116,872
Office of Superintendent	214,933	194,292	20,641	205,640
Principal's office and staff	452,352	446,673	5,679	433,289
Total administration	863,345	855,733	7,612	793,850
Operations and maintenance of plant:				
Operations of building	1,286,816	1,093,847	192,969	1,158,437
Auditorium	51,708	50,678	1,030	45,816
Total operations and maintenance of plant	1,338,524	1,144,525	193,999	1,204,253

FIVE TOWN CSD
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2016
(with comparative actual amounts for June 30, 2015)

	2016		Variance positive (negative)	2015 Actual
	Budget	Actual		
Current, continued:				
Undistributed	\$ 50,000	38,970	11,030	-
Debt service	1,273,159	1,273,159	-	1,342,918
Total expenditures	12,211,715	11,926,213	285,502	11,380,294
Excess (deficiency) of revenues over (under) expenditures	(294,820)	152,333	447,153	169,098
Other financing sources (uses):				
Use of fund balance	299,820	-	(299,820)	-
Transfer to capital maintenance fund	-	-	-	(75,000)
Transfer to food service	(5,000)	(5,000)	-	(5,000)
Total other financing sources (uses)	294,820	(5,000)	(299,820)	(80,000)
Net change in fund balance - budgetary basis	-	147,333	147,333	89,098
Reconciliation to GAAP basis:				
Transfer to capital reserve		(50,000)		(50,000)
Change in accrued teacher summer salaries and accrued hourly payroll		(151,724)		(118,590)
Net change in fund balance		(54,391)		(79,492)
Fund balance (deficit), beginning of year		(242,930)		(163,438)
Fund balance (deficit), end of year	\$	(297,321)		(242,930)

NONMAJOR SPECIAL REVENUE FUNDS

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

FIVE TOWN CSD
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other programs	Total
ASSETS						
Cash and equivalents	\$ 800	-	-	-	42,061	42,861
Due from other governments	-	191,535	-	-	-	191,535
Interfund receivables	70,070	-	1,046	137,631	289,790	498,537
Total assets	\$ 70,870	191,535	1,046	137,631	331,851	732,933
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued wages and benefits	15,959	-	-	-	-	15,959
Accounts payable	-	-	-	-	27,822	27,822
Interfund payables	-	187,435	-	-	-	187,435
Total liabilities	15,959	187,435	-	-	27,822	231,216
Fund balances (deficit):						
Restricted	54,911	4,100	1,046	137,631	304,029	501,717
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	54,911	4,100	1,046	137,631	304,029	501,717
Total liabilities and fund balances	\$ 70,870	191,535	1,046	137,631	331,851	732,933

FIVE TOWN CSD
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2016

	Adult Education Fund	School Categoricals Fund	MaineCare Fund	F1 Visa Fund	Other programs	Totals
Revenues:						
Local assessments	\$ 212,991	-	-	-	-	212,991
Intergovernmental	83,525	234,874	-	-	-	318,399
Charges for services	65,303	-	-	118,651	-	183,954
Investment income	-	-	-	-	1,698	1,698
Other income	14,847	-	-	-	230,315	245,162
Total revenues	376,666	234,874	-	118,651	232,013	962,204
Expenditures:						
Current:						
Recreation - cultural	-	-	-	-	153,200	153,200
Education	379,505	230,985	15,774	31,270	53,131	710,665
Total expenditures	379,505	230,985	15,774	31,270	206,331	863,865
Net change in fund balance - budgetary basis	(2,839)	3,889	(15,774)	87,381	25,682	98,339
Reconciliation to GAAP basis:						
Change in accrued payroll	(7,541)	-	-	-	-	(7,541)
Net change in fund balance	(10,380)	3,889	(15,774)	87,381	25,682	90,798
Fund balances, beginning of year	65,291	211	16,820	50,250	278,347	410,919
Fund balances, end of year	\$ 54,911	4,100	1,046	137,631	304,029	501,717

FIVE TOWN CSD
School Categorical and Other Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016

	Fund balances beginning of year	Program revenues			Program expenditures	Fund balances end of year
		Federal	State	Other		
Federal and state programs:						
Title IA	\$ -	9,048	-	-	9,048	-
Title VI	-	12,213	-	-	12,213	-
Local Entitlement	-	175,618	-	-	175,618	-
AEFLA Grant	-	23,559	-	-	23,559	-
Proficiency Grant	211	-	9,836	-	10,047	-
PEPG Educator Effectiveness Grant	-	-	4,600	-	500	4,100
Total federal and state programs	211	220,438	14,436	-	230,985	4,100
Other programs:						
EE Reduction benefits	1,012	-	-	20,794	21,584	222
Bisbee Sport Fund	71,989	-	-	64,595	42,128	94,456
Bisbee Washington Fund	4,055	-	-	108,780	110,543	2,292
ADF	54,786	-	-	1,451	750	55,487
R. Clark Bequest	52,254	-	-	247	1,150	51,351
Emily Hall	30,384	-	-	147	-	30,531
Carl & Stella Hopkins Fund	5,249	-	-	26	-	5,275
Zenith McLean	300	-	-	102	-	402
Zenith Housing	20,046	-	-	97	-	20,143
Zenith Homeless	20,921	-	-	101	-	21,022
Zenith Greenhouse	1,000	-	-	5	-	1,005
Nurse Grant SLVC	552	-	-	3	-	555
Student reimbursement	400	-	-	-	400	-
MLTI protection plan	10,468	-	-	20,427	25,048	5,847
Windplanners Donations	1,732	-	-	1	1,527	206
Professional Development	3,199	-	-	8,091	2,672	8,618
Bleacher Account	-	-	-	7,146	529	6,617
Total other programs	278,347	-	-	232,013	206,331	304,029
Total	\$ 278,558	220,438	14,436	232,013	437,316	308,129

FIDUCIARY FUNDS

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

FIVE TOWN CSD
Fiduciary Funds - Scholarship Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2016

	Balances beginning of year	Additions		Deductions	Balances end of year
		Interest earned	Contributions and other receipts		
Private-purpose trust funds:					
Scholarship Funds:					
Alfred Litzerman Memorial Scholarship	\$ 2,695	13	-	500	2,208
Amelia Bucholz Scholarship	637	3	-	-	640
Appleton H.S. Alumni Association	25,839	125	1,576	500	27,040
B. G. Gushee Scholarship	4,883	24	-	-	4,907
Basil Arau Scholarship	12,947	62	-	-	13,009
Billy Williams	-	-	1,000	1,000	-
A. Mosher Bradford Scholarship	2,873	14	-	-	2,887
Camden Rotary	1,102	5	-	-	1,107
Carelton Wood	215	1	-	-	216
Chickawaukee	710	3	-	-	713
David Eaton Scholarship	5,019	24	-	500	4,543
Sarah Doubleday	7,150	34	2,959	1,000	9,143
Emma M. Brewster Scholarship	369	2	-	-	371
Ernest Earl Mahoney Scholarship	4,770	23	-	-	4,793
Eugene T. Pitney Scholarship	1,085	5	-	-	1,090
Florence Kimball Fine Arts Scholarship	4,699	23	-	250	4,472
Forest Priestly Memorial	2,685	13	-	-	2,698
Gladys P. Larrabee	-	-	17,653	-	17,653
Harold Tribou	1,938	9	-	-	1,947
Ken & Prudence Dickey Bus	210,050	1,013	-	-	211,063
Leforest Doucette	1,024	5	-	-	1,029
Linwood Thorndike	490	2	350	300	542
Lincolnville Central School	1,250	-	-	750	500
Marcia A. Brown Scholarship	(3)	2	-	-	(1)
Megunticook Fish & Game	283	1	-	-	284
Miscellaneous	6,728	32	-	-	6,760
Nancy Crawford	25	-	-	-	25
Olive Coates Trust	47,186	228	31,259	35,200	43,473
Polson - Back to school	461	2	-	-	463
RC Gushee	2,861	14	4,500	4,500	2,875
Reny Charitable	3,501	17	2,500	3,000	3,018
Richard Sorenson	189	1	-	-	190
Roberta G. Babb Scholarship	(1)	1	-	-	-
Sarah Hunter Memorial Scholarship	8,942	43	-	500	8,485
Senior Class	338	2	-	-	340
Simel Education Trust	90,770	438	-	-	91,208
Startton Memorial	(68)	68	-	-	-
T.W. Williams Scholarship	28,877	139	-	300	28,716
Timothy Crockett Scholarship	30,254	146	-	500	29,900
West Bay Rotary	1,018	5	-	-	1,023
Total private-purpose trusts	\$ 513,791	2,542	61,797	48,800	529,330

FIVE TOWN CSD
Agency Fund - High School Activity Funds
Statement of Cash Receipts, Disbursements and Changes in Balances
For the year ended June 30, 2016

	Balances beginning of year	Additions	Deductions	Balances end of year
AP	\$ 3,934	18,643	18,654	3,923
Amnesty International	449	306	123	632
Anime Club	120	-	-	120
Art Club	40	-	-	40
Athletic Account	2,318	780	915	2,183
Alpine Ski	1,610	5,724	6,513	821
Band	1,155	1,400	1,468	1,087
Baseball-Softball Boosters	261	-	-	261
Basketball Boosters	23	-	-	23
Bleacher Project	13,463	5,585	19,048	-
Botany	2,702	3,015	1,376	4,341
Captains Council	908	-	205	703
Chorus	1,499	5,353	5,458	1,394
Civil Rights	2,255	-	10	2,245
Class of 2005	1,118	11	1,129	-
Class of 2006	1,054	-	-	1,054
Class of 2007	1,110	-	-	1,110
Class of 2008	2,864	-	-	2,864
Class of 2009	1,755	-	-	1,755
Class of 2010	1,586	-	-	1,586
Class of 2011	1,926	-	-	1,926
Class of 2012	1,542	-	-	1,542
Class of 2013	1,023	-	-	1,023
Class of 2015	3,663	-	109	3,554
Class of 2016	8,156	6,905	12,790	2,271
Class of 2017	1,969	11,866	6,595	7,240
Class of 2018	700	1,735	10	2,425
Class of 2019	200	192	10	382
Class of 2020	-	100	-	100
Club for Community	-	430	-	430
Coffee	-	1,571	1,527	44
Community Fund	394	-	200	194
Consumer science	15	-	-	15
Crew	202	-	202	-
Digital film	674	44	10	708
Doc Littlefield	874	-	10	864
Drama	3,791	2,554	2,547	3,798
Dramafest	4,127	1,808	3,742	2,193
Earth Vision	759	-	759	-
Electrathon	200	-	200	-
Empty Bowl	780	2,864	2,610	1,034
FCA	669	-	10	659
Field Hockey	2,072	768	777	2,063
Football boosters	2,352	3,221	5,468	105
Gamers Guild	65	-	32	33
General	630	6,395	6,293	732
Golf	8	495	495	8
Habitat for Humanity	-	2,083	1,833	250
Ice hockey	78	-	-	78
Subtotal	\$ 77,093	83,848	101,128	59,813

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

		Balances beginning of year	Additions	Deductions	Balances end of year
IA	\$	3,409	6	2,780	635
Jewelry		112	395	302	205
Kiva Club		277	52	-	329
Lacrosse Boosters		151	-	-	151
Laptop Fund		300	21,472	20,513	1,259
Latin Club		102	2,365	2,815	(348)
Liberian Education Fund		2,210	3,552	4,746	1,016
Library		791	27	155	663
Life Skills		2,795	832	1,106	2,521
Mountain biking		24	-	-	24
Musicals		15,603	33,301	40,558	8,346
Nordic Ski Team		6,136	8,049	5,828	8,357
NHS		1,308	2,495	2,170	1,633
Outing Club		200	-	-	200
PALS		209	-	29	180
Pathways		313	-	313	-
Peers		2	75	75	2
Pep Band		487	-	487	-
Photography		628	-	10	618
Physics		408	940	750	598
Principal's Fund		2,142	1,870	2,111	1,901
Project Fund		2,788	3,508	260	6,036
Sailing		19	-	-	19
School Store		1,193	3,139	3,749	583
Senior banquet		2,556	10,130	8,544	4,142
Soccer Boosters		6,768	8,558	8,021	7,305
Student Camp		5,027	420	4,188	1,259
Student Council		449	1,845	1,432	862
Student Trips		57,203	239,885	241,228	55,860
Sunshine Club		-	631	631	-
Swim Team		557	272	10	819
Tennis team		151	-	-	151
Track Team		1,859	2,325	1,665	2,519
Washington Trip		4,164	19,367	18,660	4,871
Wellness Program		3,514	4,380	4,558	3,336
Windplanners		3,133	37	700	2,470
Windsong		441	-	-	441
X-Country		3,406	3,804	1,902	5,308
Yearbook		2,721	16,065	13,317	5,469
Zenith		2,019	572	1,509	1,082
Totals	\$	212,668	474,217	496,250	190,635

Five Town CSD
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA number	Pass- through/ grantor number	Total Federal Expenditures	Cluster Totals	Passed Through to Subrecipients
U. S. Department of Education, passed through Maine					
Department of Education:					
Adult Education Basic Grant	84.002	6162	\$ 23,559		-
Title 1A Disadvantaged	84.010	3107	9,048		-
Local Entitlement	84.027	3046	175,618		-
Rural Education	84.358	3005	12,213		-
Total U. S. Department of Education			220,438		-
U. S. Department of Agriculture, passed through					
Maine Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	3024	76,816		-
National School Lunch Program - Breakfast Program	10.553	3014	13,600		-
National School Lunch Program - Donated Commodities	10.555	N/A	15,497		-
Total Child Nutrition Cluster				105,913	
Total U. S. Department of Agriculture			105,913		-
Totals			\$ 326,351		-

See accompanying notes to schedule of expenditures of federal awards.