

**MAINE SCHOOL ADMINISTRATIVE
DISTRICT NO. 28**

Annual Financial Statements

For the Year Ended June 30, 2017

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Financial Statements
For the Year Ended June 30, 2017

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor’s Report		1-3
Management’s Discussion and Analysis		4-7
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	11
Statement of Activities	2	12
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	13
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	4	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Budgetary Basis – General Fund	6	16
Statement of Fiduciary Net Position – Fiduciary Funds	7	17
Notes to Basic Financial Statements		18-33
Required Supplementary Information		34-36
	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	39
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	40-42
School Grants and Other Programs (Special Revenue Fund):		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B	45
Fiduciary Funds:		
Combining Statement of Net Position	C	49
	<u>Schedule</u>	<u>Page</u>
Schedules:		
Statement of Cash Receipts, Disbursements, and Changes in Cash Balances:		
Rockport Elementary School Activity Funds Agency Fund	1	53
Camden-Rockport Middle School Agency Fund	2	54
Schedule of Expenditures of Federal Awards	3	55

Independent Auditor's Report

Board of Directors
Maine School Administrative District No. 28

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 Maine School Administrative District No. 28, as of and for the year ended June 30, 2017, 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 for Maine School Administrative District No. 28, as of June 30, 2017, 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 management's discussion and analysis, the schedule of District's proportionate share of net pension liability, and the schedule of District's contributions, as listed on 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 historic 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 Maine School Administrative District No. 28's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose 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, schedules, and 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, schedules, and 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 October 2, 2017, on our consideration of Maine School Administrative District No. 28's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maine School Administrative District No. 28's internal control over financial reporting and compliance.

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

October 2, 2017
South Portland, Maine

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Management's Discussion and Analysis
June 30, 2017

In this section of the Annual Financial Report, the managers of Maine School Administrative District No. 28 discuss and analyze the District's financial performance for the fiscal year ended June 30, 2017. Please read it in conjunction with the independent auditors' report on pages 1-3, and the District's Basic Financial Statements which begin on page 11.

Financial Highlights

The District's net position for FY 2017 was \$7,238,266; an increase of \$324,999 over last year as a result of this year's operations. During the year, the District had expenses that were \$324,999 less than the \$14,366,523 revenues generated in tax and other revenues.

The General Fund ended the year with a \$1,085,485 GAAP balance compared to last year's balance of \$1,078,918 which includes the accrued teacher summer salaries amounts.

Long-term debt has decreased by \$619,536. New leases and changes in the net pension liability were offset by the continued pay down of the debt services for previous construction projects and capital leases.

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 18) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

Reporting on the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 11. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows 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.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Management's Discussion and Analysis, Continued

All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

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

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

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

Business-type activities - Activities that are intended to recoup all or a significant portion of their cost through user fees and charges are reported as business type activities. The District currently does not report any business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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. 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.

Agency Funds - The District oversees two Trust and Agency type accounts including the individual accounts established by each school for student activities. The District is financially accountable for the accounts.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Management's Discussion and Analysis, Continued

Government-wide Financial Analysis

Our analysis focuses on the net position (Statement 1) and changes in net position (Statement 2) of the District's governmental activities.

NET POSITION		
Governmental Activities		
	2017	2016
Current and other assets	\$ 3,426,624	\$ 3,127,396
Capital assets	15,624,930	16,239,290
Total assets	19,051,554	19,366,686
Deferred outflows related to pensions	273,491	241,252
Long-term liabilities	10,711,751	11,331,287
Other liabilities	1,368,141	1,354,867
Total liabilities	12,079,892	12,686,154
Deferred inflows related to pensions	6,887	8,517
Net investment in capital assets	5,181,340	5,071,300
Restricted	325,865	376,233
Unrestricted	1,731,061	1,465,734
Total net position	\$ 7,238,266	\$ 6,913,267
CHANGE IN NET POSITION		
Governmental Activities		
Revenues:		
Program revenues:		
Charges for services	\$ 474,532	\$ 482,008
Operating grants and contributions	1,418,732	1,470,957
Capital grants and contributions	-	88,630
General revenues:		
Local assessments	11,990,460	11,910,062
State allocations	462,225	440,110
Investment earnings	2,413	1,998
Miscellaneous	18,161	12,336
Total revenues	14,366,523	14,406,101
Expenses:		
Administration	1,108,352	1,023,479
Instruction	5,082,835	5,098,579
Other instruction	90,750	91,898
Student and staff support	927,242	798,201
Special education	1,837,373	1,698,781
Operation and maintenance of plant	2,266,610	2,232,469
Transportation	690,859	567,938
Maine PERS - on-behalf payments	751,287	732,292
Debt service - interest	376,521	411,631
Capital maintenance expenses	34,845	214,791
School lunch program	350,548	344,604
School grants and other programs	524,302	581,774
Total expenses	14,041,524	13,796,437
Change in net position	\$ 324,999	\$ 609,664

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Management's Discussion and Analysis, Continued

The District's total revenues decreased by 0.3%. The total cost of all programs and services was \$14,041,524.

The District increased the local assessment by an average of 0.68%.

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 \$2,129,428.

The District's General Fund balance of \$1,085,485 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 NEO information accurately state, a balance of \$2,269,139 for the General Fund.

Capital Asset and Debt Administration

Capital Assets

Significant capital asset additions during 2017 included:

CRES Outdoor Classroom - \$14,214

CRES Phone System - \$10,162

CRES Roof Replacement - \$34,474

Blue Bird Bus - \$84,984

Blue Bird Bus - \$84,984

Debt

At year-end, the District had \$10,443,590 in bonds and notes outstanding through local banks and capital leases, down \$724,400 from last year.

Economic Factors and Next Year's Budget and Rates

The Members of the District's Board of Directors approved a fiscal year 2018 budget of \$13,365,084 or a 1.89% increase with the local assessments to the Towns increasing by an average of \$212,719 or 1.77%.

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, Maine School Administrative District No. 28, 7 Lions Lane, Camden, Maine 04843, or by phone at 207-236-3358.

BASIC FINANCIAL STATEMENTS

These financial statements provide an overview of the financial position of all fund types and of the operating results by fund. They also serve as an introduction to the more detailed schedules that follow. The notes to the combined financial statements are an integral part of the basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Net Position
June 30, 2017

		Governmental activities
ASSETS		
Cash and cash equivalents	\$	368,332
Investments		2,839,365
Accounts receivable		24,586
Due from other governments		184,965
Inventory		9,376
Capital assets, net		15,624,930
Total assets		19,051,554
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions		273,491
Total deferred outflows of resources		273,491
LIABILITIES		
Accrued wages and benefits		1,213,789
Accounts payable		83,407
Accrued interest		70,945
Noncurrent liabilities:		
Due within one year		946,744
Due in more than one year		9,765,007
Total liabilities		12,079,892
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions		6,887
Total deferred inflows of resources		6,887
NET POSITION		
Net investment in capital assets		5,181,340
Restricted for capital projects and grants		325,865
Unrestricted		1,731,061
Total net position	\$	7,238,266

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Activities
For the year ended June 30, 2017

Function/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities
Governmental activities:					
Administration	\$ 1,108,352	-	-	-	(1,108,352)
Instruction	5,082,835	43,034	-	-	(5,039,801)
Other instruction	90,750	-	-	-	(90,750)
Student and staff support	927,242	-	-	-	(927,242)
Special education	1,837,373	-	31,869	-	(1,805,504)
Operation and maintenance of plant	2,266,610	-	-	-	(2,266,610)
Transportation	690,859	288,072	-	-	(402,787)
Maine PERS - on-behalf payments	751,287	-	751,287	-	-
Debt service - interest	376,521	-	-	-	(376,521)
Capital maintenance expenses	34,845	-	-	-	(34,845)
School lunch	350,548	143,426	129,372	-	(77,750)
School grants and other programs	524,302	-	506,204	-	(18,098)
Total governmental activities	14,041,524	474,532	1,418,732	-	(12,148,260)
Total primary government	\$ 14,041,524	474,532	1,418,732	-	(12,148,260)

General revenues:	
Local assessments	11,990,460
State allocation	462,225
Unrestricted investment earnings	2,413
Miscellaneous	18,161
Total general revenues and loss on disposal	12,473,259
Change in net position	324,999
Net position--beginning	6,913,267
Net position--ending	\$ 7,238,266

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28

Balance Sheet

Governmental Funds

June 30, 2017

	General Fund	School Lunch Fund	Capital Projects Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 62,129	-	101,276	-	204,927	368,332
Investments	2,839,365	-	-	-	-	2,839,365
Accounts receivable	16,546	8,040	-	-	-	24,586
Due from other governments	19,785	-	-	-	165,180	184,965
Interfund loans receivable	-	-	-	720,339	-	720,339
Inventory	-	9,376	-	-	-	9,376
Total assets	\$ 2,937,825	17,416	101,276	720,339	370,107	4,146,963
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued wages and benefits	1,183,654	6,342	-	-	23,793	1,213,789
Accounts payable	65,973	-	-	-	10,837	76,810
Unearned revenue	-	6,597	-	-	-	6,597
Interfund loans payable	602,713	1,142	5,496	-	110,988	720,339
Total liabilities	1,852,340	14,081	5,496	-	145,618	2,017,535
Fund balances:						
Nonspendable - school lunch inventory	-	3,335	-	-	-	3,335
Restricted by grantors and donors	-	-	-	-	226,750	226,750
Restricted - capital projects	-	-	95,780	-	-	95,780
Assigned	918,000	-	-	720,339	-	1,638,339
Unassigned	167,485	-	-	-	(2,261)	165,224
Total fund balances	1,085,485	3,335	95,780	720,339	224,489	2,129,428
Total liabilities and fund balances	\$ 2,937,825	17,416	101,276	720,339	370,107	
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.						15,624,930
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.						
Bonds payable						(10,166,829)
Capital leases						(276,761)
Net pension liability, including deferred outflows and inflows						(1,557)
Accrued interest						(70,945)
Net position of governmental activities						\$ 7,238,266

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017

	General Fund	School Lunch Fund	Capital Projects Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Local assessments	\$ 11,990,460	-	-	-	-	11,990,460
Intergovernmental	1,245,381	129,372	-	-	385,472	1,760,225
Charges for services	255,365	143,426	-	-	-	398,791
Interest earned	2,363	-	50	-	-	2,413
Other revenues	93,902	-	-	-	120,732	214,634
Total revenues	13,587,471	272,798	50	-	506,204	14,366,523
Expenditures:						
Current:						
Administration	1,108,352	-	-	-	-	1,108,352
Instruction	5,011,840	-	-	-	-	5,011,840
Other instruction	90,750	-	-	-	-	90,750
Student and staff support	927,242	-	-	-	-	927,242
Special education	1,837,373	-	-	-	-	1,837,373
Operation and maintenance of plant	1,554,993	-	-	-	-	1,554,993
Transportation	618,148	-	-	-	-	618,148
Maine PERS - on-behalf payments	751,287	-	-	-	-	751,287
Program expenditures	-	-	-	-	524,302	524,302
School lunch program	-	350,548	-	-	-	350,548
Debt service	1,270,916	-	-	-	-	1,270,916
Capital outlay	169,968	-	16,834	18,011	-	204,813
Total expenditures	13,340,869	350,548	16,834	18,011	524,302	14,250,564
Excess (deficiency) of revenues over (under) expenditures	246,602	(77,750)	(16,784)	(18,011)	(18,098)	115,959
Other financing sources (uses):						
Proceeds from capital leases	169,968	-	-	-	-	169,968
Transfer from other funds	-	60,003	-	350,000	-	410,003
Transfer to other funds	(410,003)	-	-	-	-	(410,003)
Total other financing sources (uses)	(240,035)	60,003	-	350,000	-	169,968
Net change in fund balances	6,567	(17,747)	(16,784)	331,989	(18,098)	285,927
Fund balances, beginning of year	1,078,918	21,082	112,564	388,350	242,587	1,843,501
Fund balances, end of year	\$ 1,085,485	3,335	95,780	720,339	224,489	2,129,428

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
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, 2017

Net change in fund balances--total governmental funds (from Statement 4)	\$	285,927
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$846,513) and loss on disposal of capital assets (\$4,465) exceeded capital outlay (\$236,618) in the current period.</p>		
		(614,360)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the change in accrued interest.</p>		
		27
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. This is the increase in net pension liability and the change in related deferred inflows and outflows of resources.</p>		
		(70,995)
<p>Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond (\$816,454) and lease repayments (\$77,914) exceeded lease proceeds (\$169,968).</p>		
		724,400
Change in net position of governmental activities (see Statement 2)		\$ 324,999

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Budgetary Basis - General Fund
For the year ended June 30, 2017

	General Fund			Variance with final budget positive (negative)
	Budgeted amounts		Actual	
	Original	Final		
Revenues:				
Local assessments	\$ 11,990,460	11,990,460	11,990,460	-
Intergovernmental	477,632	477,632	494,094	16,462
Charges for services	253,688	253,688	255,365	1,677
Interest earned	2,000	2,000	2,363	363
Other revenues	75,000	75,000	93,902	18,902
Total revenues	12,798,780	12,798,780	12,836,184	37,404
Expenditures:				
Current:				
Administration	1,145,599	1,145,599	1,108,352	37,247
Instruction	5,116,739	5,116,739	5,016,904	99,835
Other instruction	94,201	94,201	90,750	3,451
Student and staff support	980,622	980,622	927,242	53,380
Special education	1,841,386	1,841,386	1,837,373	4,013
Operation and maintenance of plant	1,862,040	1,862,040	1,554,993	307,047
Transportation	680,272	680,272	618,148	62,124
Undistributed	65,000	65,000	-	65,000
Debt service	1,270,921	1,270,921	1,270,916	5
Total expenditures	13,056,780	13,056,780	12,424,678	632,102
Excess (deficiency) of revenues over (under) expenditures	(258,000)	(258,000)	411,506	669,506
Other financing sources (uses):				
Budgeted use of fund balance	318,000	318,000	-	(318,000)
Transfer to Capital Reserve Fund	-	-	(350,000)	(350,000)
Transfer to School Lunch Fund	(60,000)	(60,000)	(60,003)	(3)
Total other financing sources (uses)	258,000	258,000	(410,003)	(668,003)
Net change in fund balance - budgetary basis	-	-	1,503	1,503
Reconciliation to GAAP basis:				
Change in accrued teacher summer salaries and accrued hourly payroll			5,064	
Net change in fund balance - GAAP basis			6,567	
Fund balance, beginning of year			1,078,918	
Fund balance, end of year			\$ 1,085,485	

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

		Agency funds
ASSETS		
Cash and cash equivalents	\$	50,283
Total assets		50,283
LIABILITIES		
Amounts held for student groups		50,283
Total liabilities	\$	50,283

See accompanying notes to basic financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements

THE REPORTING ENTITY

Maine School Administrative District No. 28 (District) is located in Knox County in the central coastal region of Maine. The District was organized in 1964 and provides elementary education for its member Towns of Camden and Rockport.

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 Maine School Administrative District No. 28 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.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. Non-major 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 Projects Fund - Capital Project Funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bond issues.

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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Fiduciary Funds:

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 School 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 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.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
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 local assessments, grants, entitlements, and donations. On an accrual basis, revenue from local assessments is recognized in the fiscal year for which the assessments 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. 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. All encumbrances lapse at year end except those which have been authorized to be carried forward.
- F. Interfund Transactions** - During the course of normal operations, the District has several transactions between funds including expenditures and transfers of resources to provide services. These transactions are reported as transfers. Transactions between funds which represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans receivable or payable.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- G. Inventories** - Food services inventories are valued at the lower of cost (first-in, first-out basis) or market. Inventories include the value of the U.S. Department of Agriculture commodities donated to the School Lunch Fund.
- H. 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 unused sick time is only paid out to certain ed techs and secretaries who meet specific retirement criteria specified in the union contract.
- I. Use of Estimates** - Preparation of the District's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows 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.
- J. Capital Assets** - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and land improvements and construction in progress 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	5-100 years
Furniture and Equipment	5-40 years
Vehicles	10-20 years

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

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and reported as obligations of the governmental funds. The capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- L. 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.
- M. Fund Balance** - Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:
- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
 - *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
 - *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
 - *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
 - *Unassigned* – resources which have not been assigned to other funds and that 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 not a formal policy, when both restricted and unrestricted resources are available for use, it is the government's intent 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 policy to use committed or assigned resources first, and then unassigned resources as they are needed.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As of June 30, 2017, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>
General Fund:			
Subsequent budget	\$ -	-	318,000
Reserves	-	-	600,000
School Lunch Fund	3,335	-	-
Capital Projects Fund	-	95,780	-
Capital Reserve Fund	-	-	720,339
Other Governmental Funds:			
Grants and other purposes	-	226,750	-
Totals	\$ 3,335	322,530	1,638,339

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 District's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between 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.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information - A budget is formally adopted for the General Fund each year through the passage of articles through a District-wide referendum vote, and is prepared on a basis consistent with accounting principles generally accepted in the United States of America except for teachers' salaries and benefits and Maine Public Employees Retirement System on-behalf payments. 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.

Deficit Fund Balance - At June 30, 2017, the following funds had a deficit fund balance:

Title IA	\$ 2
HR Support	2,259

These deficits will be funded by future operating revenues.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

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 a public entity risk pool sponsored by the Maine School Management Association (MSMA) for Workers' Compensation coverage. Based on the coverage provided by this pool, 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, 2017.

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, 2017, the District reported deposits of \$418,615 with a bank balance of \$420,664. Of the District's bank balance of \$420,664, \$158,702 was exposed to custodial credit risk as it was collateralized by underlying securities held by the bank which were not in the District's name. The remaining \$261,962 was covered by F.D.I.C.

Deposits have been reported as follows:

Reported in governmental funds	\$368,332
Reported in fiduciary funds	50,283
Total deposits	\$418,615

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. Although repurchase agreements are classified as investments on the financial statements, they do not meet the definition of investments in Governmental Accounting Standards Board Statement No. 72 and, as such, are not classified within the fair value hierarchy.

At June 30, 2017, the District had the following investments and maturities:

	Fair value	Less than <u>1 year</u>	1-5 years	More than <u>5 years</u>
Repurchase agreements	\$ 2,839,365	2,839,365	-	-
Total investments	\$ 2,839,365	2,839,365	-	-

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

Investments have been reported as follows:

<u>Reported in governmental funds</u>	<u>\$ 2,839,365</u>
<u>Total investments</u>	<u>\$ 2,839,365</u>

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 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 \$2,839,365 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.

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
	<u>06/30/16</u>			<u>06/30/17</u>
Governmental activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 21,889,631	48,688	2,596	21,935,723
Furniture and equipment	812,467	17,962	5,901	824,528
Vehicles	979,080	169,968	-	1,149,048
Total capital assets, being depreciated	23,681,178	236,618	8,497	23,909,299
Less accumulated depreciation:				
Buildings and improvements	(6,294,623)	(703,555)	-	(6,998,178)
Furniture and equipment	(495,444)	(70,247)	4,032	(561,659)
Vehicles	(651,821)	(72,711)	-	(724,532)
Total accumulated depreciation	(7,441,888)	(846,513)	4,032	(8,284,369)
Capital assets being depreciated, net	16,239,290	(609,895)	(4,465)	15,624,930
Governmental capital assets, net	\$ 16,239,290	(609,895)	(4,465)	15,624,930

Depreciation expense was charged to governmental functions as follows:

Transportation	\$ 72,711
Operation and maintenance of plant	773,802
<u>Total depreciation expense</u>	<u>\$ 846,513</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES

Individual interfund receivables and payables at June 30, 2017 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ -	602,713
School Lunch Fund	-	1,142
Capital Projects Fund	-	5,496
Capital Reserve Fund	720,339	-
<u>Other Governmental Funds</u>	-	<u>110,988</u>
Total all funds	\$ 720,339	720,339

INTERFUND TRANSFERS

Individual fund transfers for the year ended June 30, 2017 were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	410,003
School Lunch Fund	60,003	-
<u>Capital Reserve Fund</u>	<u>350,000</u>	<u>-</u>
Total transfers	\$ 410,003	410,003

These transfers were to fund the School Lunch fund operating expenses and to set aside funds for major capital improvement projects.

ASSESSMENT

Each of the member towns' proportionate share of the District's assessment is based on its percentage of the average student population and its percentage of property valuation as determined by the State Tax Assessor. Assessments are payable in twelve equal installments. The assessment for the year ended June 30, 2017 is as follows:

Town of Camden	\$ 6,660,701
<u>Town of Rockport</u>	<u>5,329,759</u>
Total	\$ 11,990,460

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Long-term Debt - The following is a summary of long-term debt transactions of the District for the year ended June 30, 2017:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Bonds and notes payable	\$ 10,983,283	-	816,454	10,166,829	816,454
Capital leases	184,707	169,968	77,914	276,761	130,290
Net pension liability	163,297	104,864	-	268,161	-
Total long-term debt	\$ 11,331,287	274,832	894,368	10,711,751	946,744

General obligation bonds and notes payable at June 30, 2017 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 6/30/17</u>
Bonds and notes payable:					
CRES Project	5/05/08	\$ 14,791,797	2.0% - 5.5%	11/1/2031	9,646,829
RES West Purchase	6/16/04	2,600,000	3.72%	5/31/2020	520,000
Total bonds and notes payable					\$ 10,166,829

The District has entered into various lease agreements to finance the cost of various copiers, computers, and school buses. 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>Date of issue</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Balance 6/30/17</u>
Capital leases payable:					
Copiers	7/15/14	\$ 47,123	3.10%	8/15/18	19,174
Computers	8/27/15	82,944	2.68%	8/27/17	54,562
Bus	9/15/13	84,238	3.00%	9/15/17	17,362
Bus	8/6/15	85,540	2.87%	8/15/19	51,429
Two buses	10/26/16	169,968	2.56%	10/25/20	134,234
Total capital leases payable					\$ 276,761

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize all long-term liabilities outstanding as of June 30, 2017 are as follows:

Year ended June 30,	Capital leases			Bonds and notes		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 130,290	8,231	138,521	816,454	413,096	1,229,550
2019	59,964	3,907	63,871	816,455	385,856	1,202,311
2020	51,569	2,267	53,836	816,455	360,806	1,177,261
2021	34,938	892	35,830	643,122	325,450	968,572
2022	-	-	-	643,122	290,324	933,446
2023-2027	-	-	-	3,215,610	878,835	4,094,445
2028-2032	-	-	-	3,215,611	192,665	3,408,276
Totals	\$ 276,761	15,297	292,058	10,166,829	2,847,032	13,013,861

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, 2017, the District's direct debt of \$10,166,829 was within the minimum statutory limit of 10% of the two participating municipalities.

MAINE PUBLIC EMPLOYEES RETIREMENT PLAN

General Information about the Pension Plan

Plan Description - Employees of the 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.mainepepers.org.

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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT PLAN, CONTINUED

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.

SET Plan - 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 School District's contractually required contribution rate for the year ended June 30, 2017, was 13.38% of annual payroll of which 3.36% of payroll was required from the District and 10.02% was required from the State. Contributions to the pension plan from the District were \$268,161 for the year ended June 30, 2017.

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, 2016, 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, 2017, 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	\$ 268,161
State's proportionate share of the net pension liability associated with the District	8,511,885
Total	\$ 8,780,046

At June 30, 2016, the District's proportion of the SET Plan was 0.0152%.

For the year ended June 30, 2017, the District recognized pension expense of \$863,756 and revenue of \$593,682 for support provided by the State for the SET Plan. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT PLAN, CONTINUED

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,679	-
Changes of assumptions	-	6,887
Net difference between projected and actual earnings on pension plan investments	50,543	-
Changes in proportion and differences between District contributions and proportionate share of contributions	19,190	-
District contributions subsequent to the measurement date	199,079	-
Total	\$ 273,491	6,887

An amount of \$199,079 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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:

2018	\$ 10,187
2019	19,945
2020	24,118
2021	13,275

Actuarial Assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>SET Plan</u>
Inflation	2.75%
Salary Increases, per year	2.75% to 14.5%
Investment return, per annum, compounded annually	6.875%
Cost of living benefit increases, per annum	2.20%

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT PLAN, 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, 2016 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%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%
<u>Total</u>	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.875% 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 6.875% 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 (5.875%) or 1 percentage-point higher (7.875%) than the current rate:

<u>SET Plan</u>	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
District's proportionate share of the net pension liability	\$ 429,395	\$ 268,161	\$ 133,775

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, 2017.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Basic Financial Statements, Continued

BUDGETARY ACCOUNTING

Through June 30, 2017, the District did not budget for expenditures for teacher summer salaries or accrued payroll on an accrual basis as required by generally accepted accounting principles (GAAP). The following is a reconciliation of the General Fund GAAP and budgetary fund balances.

Fund balance – June 30, 2017 - GAAP Basis (Statement 3)	\$ 1,085,485
<u>Teacher summer salaries and accrued hourly payroll</u>	<u>1,183,654</u>
<u>Fund balance - June 30, 2017 - budgetary basis</u>	<u>\$ 2,269,139</u>

The following is a reconciliation of the net change in fund balance, GAAP basis, and budgetary basis.

Net change in fund balance - budgetary basis (Statement 6)	\$ 1,503
Reconciliation to budgetary basis:	
<u>Decrease in accrued teacher summer salaries and accrued hourly payroll</u>	<u>5,064</u>
<u>Net change in fund balance - GAAP basis (Statement 4)</u>	<u>\$ 6,567</u>

Additionally, as required by generally accepted accounting principles (U.S. GAAP), the District has recorded a revenue and an expenditure for Maine Public Employees Retirement 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 \$751,287. These amounts have been included as an intergovernmental revenue and an education expense/expenditure on Statement 2 and Statement 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year.

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. The District's net investment in capital assets was calculated as follows at June 30, 2017:

	<u>Governmental activities</u>
Capital assets	\$23,909,299
Accumulated depreciation	(8,284,369)
Bonds payable	(10,166,829)
<u>Capital leases payable</u>	<u>(276,761)</u>
<u>Total net investment in capital assets</u>	<u>\$ 5,181,340</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Required Supplementary Information

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

Last 10 Fiscal Years*

<u>SET Plan</u>	<u>2017**</u>	<u>2016**</u>	<u>2015**</u>
District's proportion of the net pension liability	0.0152%	0.0121%	0.0139%
District's proportionate share of the net pension liability	\$ 268,161	163,297	150,490
State's proportionate share of the net pension liability associated with the District	8,511,885	6,481,267	4,918,991
Total	8,780,046	6,644,564	5,069,481
District's covered-employee payroll	5,924,974	5,834,998	5,631,745
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.53%	2.80%	2.67%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	81.18%	83.91%

* Only three years of information available

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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Required Supplementary Information, Continued

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

Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
SET Plan				
Contractually required contribution	\$ 199,079	196,056	149,241	139,368
Contributions in relation to the contractually required contribution	(199,079)	(196,056)	(149,241)	(139,368)
Contribution deficiency (excess)	-	-	-	-
District's covered-employee payroll	5,924,974	5,834,998	5,631,745	5,258,155
Contributions as a percentage of covered-Employee payroll	3.36%	3.36%	2.65%	2.65%

* Only four years of information available

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Notes to Required Supplementary Information

Changes of Benefit Terms - None

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

	<u>2017</u>	<u>2016</u>
Discount rate	6.875%	7.125%
Inflation rate	2.75%	3.5%
Salary increases	2.75% to 14.50%	3.5% to 13.50%
Cost of living increase	2.20%	2.55%
Long-term expected real rate of return on assets:		
US equities	5.7%	5.2%
Real estate	5.2%	3.7%
Infrastructure	5.3%	4.0%
Hard assets	5.0%	4.8%
Fixed income	2.9%	0.7%

In addition, mortality rates in the previous valuation were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA; which changed to mortality rates that were based on the RP2014 Total Data Set Healthy Annuity Mortality Table.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

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

Combining statements are presented when there 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.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Comparative Balance Sheets
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 62,129	62,098
Investments	2,839,365	2,430,254
Accounts receivable	16,546	21,294
Due from other governments	19,785	14,821
Total assets	\$ 2,937,825	2,528,467
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued wages and benefits	1,183,654	1,188,718
Accounts payable	65,973	55,653
Interfund loans payable	602,713	205,178
Total liabilities	1,852,340	1,449,549
Fund balance:		
Assigned	918,000	668,000
Unassigned	167,485	410,918
Total fund balance	1,085,485	1,078,918
Total liabilities and fund balance	\$ 2,937,825	2,528,467

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
For the year ended June 30, 2017

	2017		Variance positive (negative)
	Budget	Actual	
Revenues:			
Local assessments:			
Camden	\$ 6,660,701	6,660,701	-
Rockport	5,329,759	5,329,759	-
Total local assessments	11,990,460	11,990,460	-
Intergovernmental:			
State allocation	470,832	462,225	(8,607)
State agency clients	6,800	31,869	25,069
Total intergovernmental	477,632	494,094	16,462
Charges for services:			
Tuition	30,000	43,034	13,034
Transportation	223,688	212,331	(11,357)
Total charges for services	253,688	255,365	1,677
Investment income:			
General investment earnings	2,000	2,363	363
Total investment income	2,000	2,363	363
Other revenues:			
Rentals	75,000	75,741	741
Miscellaneous revenue	-	18,161	18,161
Total other revenues	75,000	93,902	18,902
Total revenues	12,798,780	12,836,184	37,404

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis, Continued

	2017		Variance positive (negative)
	Budget	Actual	
Expenditures:			
Current:			
Administration:			
School Board	\$ 90,065	66,117	23,948
Office of Superintendent	359,011	362,627	(3,616)
K-4 Principal Office	340,997	333,575	7,422
5-8 Principal Office	355,526	346,033	9,493
Total administration	1,145,599	1,108,352	37,247
Instruction:			
Instructional services K-4	2,541,918	2,524,118	17,800
Instruction services 5-8	2,416,456	2,350,840	65,616
ESL	73,722	66,238	7,484
Horizons Program	84,643	75,708	8,935
Total instruction	5,116,739	5,016,904	99,835
Other instruction:			
Summer School	2,681	1,700	981
K-4 Extra/Co-curricular	9,263	3,399	5,864
5-8 Extra/Co-curricular	82,257	85,651	(3,394)
Total other instruction	94,201	90,750	3,451
Student and staff support:			
Guidance K-4	146,773	129,569	17,204
Guidance 5-8	168,909	157,904	11,005
Health services	129,545	147,439	(17,894)
Curriculum development	69,225	68,128	1,097
Instructional training	17,802	14,240	3,562
Library K-4	100,618	100,662	(44)
Library 5-8	100,940	101,036	(96)
Technical services	235,543	199,160	36,383
Assessment	11,267	9,104	2,163
Total student and staff support	980,622	927,242	53,380
Special education:			
Instructional services	1,678,480	1,703,433	(24,953)
Administration	156,406	119,136	37,270
State agency client grant	6,500	14,804	(8,304)
Total special education	1,841,386	1,837,373	4,013
Operation and maintenance:			
K-4 operation and maintenance	750,163	679,911	70,252
5-8 operation and maintenance	1,111,877	875,082	236,795
Total operation and maintenance	1,862,040	1,554,993	307,047

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis, Continued

	2017		Variance positive (negative)
	Budget	Actual	
Expenditures, continued			
Current, continued:			
Transportation	\$ 680,272	618,148	62,124
Total transportation	680,272	618,148	62,124
Undistributed	65,000	-	65,000
Debt service	1,270,921	1,270,916	5
Total expenditures	13,056,780	12,424,678	632,102
Excess (deficiency) of revenues over (under) expenditures	(258,000)	411,506	669,506
Other financing sources (uses):			
Budgeted use of fund balance	318,000	-	(318,000)
Transfer to Capital Reserve Fund	-	(350,000)	(350,000)
Transfer to School Lunch	(60,000)	(60,003)	(3)
Total other financing sources (uses)	258,000	(410,003)	(668,003)
Net change in fund balance - budgetary basis	-	1,503	1,503
Reconciliation to GAAP basis:			
Change in accrued summer salaries		5,064	
Net change in fund balance		6,567	
Fund balance, beginning of year		1,078,918	
Fund balance, end of year	\$	1,085,485	

SCHOOL GRANT FUNDS AND OTHER PROGRAMS

School Grant Funds and Other Programs are special revenue funds which account for various grant programs administered by the District.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
School Grants and Other Programs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2017

	Fund balances beginning of year	Program revenues		Program expenditures	Fund balances end of year
		Federal	Other		
Federal and state programs (200):					
Title IA *	\$ -	158,418	-	158,420	(2)
Title IIA	-	49,628	-	49,628	-
Local Entitlement *	-	170,676	-	170,676	-
Local Entitlement - Preschool	-	6,362	-	6,362	-
MaineCare	28,961	-	-	24,597	4,364
Proficiency Grant	-	-	8,190	7,438	752
PEPG Educator Effectiveness Grant	4,100	-	1,500	5,507	93
Total federal and state programs	33,061	385,084	9,690	422,628	5,207
Other programs (900):					
Bisbee Sport Fund	44,634	-	92,899	82,343	55,190
MBNA ADF Fund	63,575	-	1,264	1,982	62,857
R. Clark Bequest	51,327	-	514	-	51,841
Emily Hall Fund	42,634	-	426	-	43,060
HR Support	50	-	22,447	24,756	(2,259)
Influenza Grant	4,991	-	50	-	5,041
MLTI Insurance	1,919	-	3,129	1,895	3,153
Food Champs	299	-	3	-	302
Friends of MSAD 28	97	-	-	-	97
Total other programs	209,526	-	120,732	110,976	219,282
Total	\$ 242,587	385,084	130,422	533,604	224,489

* Program revenues and expenditures vary from Statements 3 and 4 as a result of accrued payroll liabilities and related receivables, which are not considered under the budgetary basis of accounting reflected above.

FIDUCIARY FUNDS

Fiduciary Funds account for assets held by the District in a trustee or agent capacity. These include Agency Funds. Agency Funds are custodial in nature and do not measure the results of operations.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Fiduciary Funds
Combining Statement of Net Position
June 30, 2017 and 2016

	Rockport Elementary School Activity Funds	Middle School Activity Funds	Totals	
			2017	2016
ASSETS				
Cash and cash equivalents	\$ 11,945	38,338	50,283	48,392
Total assets	\$ 11,945	38,338	50,283	48,392
LIABILITIES				
Amounts held for student groups	11,945	38,338	50,283	48,392
Total liabilities	\$ 11,945	38,338	50,283	48,392

SCHEDULES

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Agency Fund - Rockport Elementary School Activity Funds
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
For the year ended June 30, 2017

	Balances at beginning of year	Receipts	Disbursements	Balances at end of year
Various activities	\$ 13,390	3,379	4,824	11,945
Totals	\$ 13,390	3,379	4,824	11,945

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Agency Fund - Camden-Rockport Middle School
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
For the year ended June 30, 2017

	Balances at beginning of year	Receipts	Disbursements	Balances at end of year
5th grade	\$ 214	797	791	220
6th grade	286	-	-	286
7th grade	4,996	4,679	6,581	3,094
8th grade	1,015	8,006	9,280	(259)
Administration	896	6,225	5,588	1,533
Athletics	773	-	-	773
Band	948	1,777	692	2,033
Chorus	576	987	830	733
Great East Festival	-	9,603	9,603	-
Intramurals	129	-	-	129
Japan exchange	2,212	42,348	40,277	4,283
Kieve	44	-	45	(1)
Library	244	316	29	531
MLTI Project	-	3,140	3,140	-
Musical	9,535	16	1,031	8,520
Nursing	442	-	85	357
Other	-	662	68	594
School Store Fund	-	948	650	298
Special Education	3	-	-	3
Stepping with the Stones Award	100	-	-	100
Student activities	2,095	5,800	3,452	4,443
Student council	967	529	679	817
Sunshine Fund	113	160	187	86
Sports Account	1,361	3,193	2,622	1,932
Theatrical	4,409	2,128	3,045	3,492
Wellness	2,899	2,413	2,574	2,738
Yearbook	745	4,470	3,612	1,603
Totals	\$ 35,002	98,197	94,861	38,338

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 28
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2017

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:					
Title 1A Disadvantaged	84.010	3107	\$ 150,035		-
Special Education Cluster:					
State Grants - Individuals with Disabilities Education Act	84.027	3046	169,759		-
Preschool Grant	84.173	6427	6,362		-
Total Special Education Cluster				176,121	
Supporting Effective Instruction	84.367	3042	49,628		-
Total U. S. Department of Education			375,784		-
U. S. Department of Agriculture, passed through					
Maine Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	3024	82,159		-
School Breakfast Program	10.553	3014	19,704		-
National School Lunch Program - Donated Commodities	10.555	N/A	23,163		-
Total Child Nutrition Cluster				125,026	
Total U. S. Department of Agriculture			125,026		-
Totals			\$ 500,810		-

See accompanying notes to schedule of expenditures of federal awards.