

Federal Compliance Audit

Regional School Unit No. 6

June 30, 2023



Proven Expertise & Integrity

REGIONAL SCHOOL UNIT NO. 6

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JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Regional School Unit No. 6
Buxton, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Regional School Unit No. 6, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Regional School Unit No. 6's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 6 as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional School Unit No. 6 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional School Unit No. 6's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 Regional School Unit No. 6's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Regional School Unit No. 6's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 63 through 71 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional School Unit No. 6's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and 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 December 26, 2023, on our consideration of the Regional School Unit No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely 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 effectiveness of the Regional School Unit No. 6's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional School Unit No. 6's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
December 26, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(UNAUDITED)

The following management's discussion and analysis of Regional School Unit No. 6's financial performance provides an overview of the Unit's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Unit's financial statements.

Financial Statement Overview

The Regional School Unit No. 6's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the above-mentioned financial statements have been presented for the following activities:

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Regional School Unit No. 6, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Regional School Unit No. 6 are categorized as one fund type: governmental funds.

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

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

The Regional School Unit No. 6 presents eight columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Unit's seven major governmental funds are the General Fund, School Lunch Fund, IDEA Local Entitlement Fund, ESSERF Fund, ESSERF 2 Fund, ESSERF 3 Fund and Capital Project Fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Unit's governmental activities. The Unit's total net position for governmental activities increased by \$3,550,618 from \$28,848,342 to \$32,398,960.

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 - increased for governmental activities to a balance of \$3,941,834 at the end of this year.

Table 1
Regional School Unit No. 6
Net Position
June 30,

	2023	2022 (Restated)
Assets:		
Current Assets	\$ 21,166,129	\$ 18,149,927
Noncurrent Assets - Capital Assets	39,761,177	39,539,928
Total Assets	<u>60,927,306</u>	<u>57,689,855</u>
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	2,449,561	1,419,636
Deferred Outflows Related to OPEB	1,704,431	1,338,005
Total Deferred Outflows of Resources	<u>4,153,992</u>	<u>2,757,641</u>
Liabilities:		
Current Liabilities	8,043,364	6,931,519
Noncurrent Liabilities	23,472,762	23,215,886
Total Liabilities	<u>31,516,126</u>	<u>30,147,405</u>
Deferred Inflows of Resources:		
Deferred Revenue	27,983	34,373
Deferred Inflows Related to Pensions	453,437	563,867
Deferred Inflows Related to OPEB	684,792	853,509
Total Deferred Inflows of Resources	<u>1,166,212</u>	<u>1,451,749</u>
Net Position:		
Net Investment in Capital Assets	25,711,771	23,713,378
Restricted: Special Revenue Funds	343,183	492,685
Capital Project Funds	2,323,742	1,733,064
Permanent Funds	78,430	65,430
Unrestricted	3,941,834	2,843,785
Total Net Position	<u>\$ 32,398,960</u>	<u>\$ 28,848,342</u>

Table 2
Regional School Unit No. 6
Change in Net Position
For the Years Ended June 30,

	<u>2023</u>	<u>2022</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 231,618	\$ 183,723
Operating grants and contributions	10,043,757	9,180,856
Capital grants and contributions	-	150,000
<i>General Revenues:</i>		
Support from Towns	32,498,186	29,363,428
Grants and contributions not restricted to specific programs	24,466,316	26,402,475
Investment income	424,603	30,258
Miscellaneous	773,612	740,063
Total Revenues	<u>68,438,092</u>	<u>66,050,803</u>
Expenses		
Regular instruction	22,339,505	20,391,539
Other instruction	992,816	763,016
Transportation	3,163,132	1,938,703
Operations and maintenance	5,723,614	6,922,410
Special education	9,070,760	8,496,891
Student and staff support	4,866,371	4,871,304
School administration	2,377,393	2,404,312
System administration	2,324,182	2,172,481
Other	14,125	16,000
State of Maine on-behalf payments	5,241,666	4,407,136
Interest on long-term debt	436,758	513,884
Program expenses	8,337,152	8,140,958
Total Expenses	<u>64,887,474</u>	<u>61,038,634</u>
Change in Net Position	3,550,618	5,012,169
Net Position - July 1, Restated	<u>28,848,342</u>	<u>23,836,173</u>
Net Position - June 30	<u>\$ 32,398,960</u>	<u>\$ 28,848,342</u>

Revenues and Expenses

The revenues increased by 3.61% when compared to fiscal year 2022. The largest increase was in support from Towns. The expenses increased by 6.31%. The largest increases were in regular instruction and transportation.

Financial Analysis of the Unit's Fund Statements

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

Table 3
Regional School Unit No. 6
Fund Balances - Governmental Funds
June 30,

	2023	2022 (Restated)	Change Increase/ (Decrease)
Major Funds:			
General Fund:			
Assigned	\$ 3,500,000	\$ 2,350,000	\$ 1,150,000
Unassigned	7,241,385	7,023,356	218,029
Total General Fund	<u>\$ 10,741,385</u>	<u>\$ 9,373,356</u>	<u>\$ 1,368,029</u>
School Lunch Fund:			
Nonspendable	\$ 58,858	\$ 44,782	\$ 14,076
Unassigned	805,200	412,451	392,749
Total School Lunch Fund	<u>\$ 864,058</u>	<u>\$ 457,233</u>	<u>\$ 406,825</u>
Capital Project Fund:			
Restricted	\$ 2,323,742	\$ 1,516,306	\$ 807,436
Committed	502,433	550,936	(48,503)
Total Capital Project Fund	<u>\$ 2,826,175</u>	<u>\$ 2,067,242</u>	<u>\$ 758,933</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 343,183	\$ 492,685	\$ (149,502)
Assigned	930,424	904,229	26,195
Unassigned (Deficit)	(1,383)	(20,493)	19,110
Permanent Funds:			
Restricted	78,430	65,430	13,000
Total Nonmajor Funds	<u>\$ 1,350,654</u>	<u>\$ 1,441,851</u>	<u>\$ (91,197)</u>

The changes to total fund balances for the general fund, school lunch fund, capital project fund and the nonmajor permanent funds occurred due to the regular activity of operations. The significant change in total fund balance for the general fund and capital projects fund was the result of a transfer from the general fund to the capital project fund.

Budgetary Highlights

There was differences between the original and final budget for the general fund. The School Board is authorized to transfer the unexpended balance from operations and maintenance to the capital reserve fund. Unexpended balances from instructional technology also were transferred to the capital reserve fund.

The general fund actual revenues exceeded the budget by \$487,955. This was the result of all revenues being receipted at or in excess of budgeted amounts except intergovernmental - Mainecare and other income.

The general fund actual expenditures were under the budget by \$3,230,074. All expenditures were within or under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Unit increased by \$221,249 from the prior year. This increase is the result of current year capital additions of \$3,734,943 less net disposals of \$302,355 and current year depreciation of \$3,211,339. Refer to Note 5 of Notes to Financial Statements for additional information on capital assets.

Table 4
Regional School Unit No. 6
Capital Assets (Net of Depreciation)
June 30,

	2023	2022 (Restated)
Land	\$ 2,688,477	\$ 2,688,477
Artwork	47,362	47,362
Construction in progress	1,377,559	390,252
Land improvements	540,506	609,750
Buildings	18,791,570	19,918,161
Buildings improvements	9,005,877	8,912,939
Equipment and vehicles	6,016,174	5,629,029
Furniture and fixtures	399,832	376,544
Infrastructure	893,820	967,414
Total	<u>\$ 39,761,177</u>	<u>\$ 39,539,928</u>

Debt

At June 30, 2023, the Unit had \$14,049,406 in a bond and notes payable from direct borrowings versus \$15,826,550 last year. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

In order to bring transparency to the budget process and provide a channel for feedback from stakeholders (teachers, staff, students, parents, community members and municipal officials), the Unit established a Budget Advisory Committee (BAC) of 34 members to enhance community understanding of Unit goals, policies and initiatives; to provide the Board and administration with a community viewpoint and to provide advisory recommendations to the budget committee during its budget deliberations. The BAC, after review of historical data and future projections, made recommendations to the Unit Budget Committee. The Unit found the process to be quite successful in improving community understanding of the issues it faced in the development of a fiscally responsible budget, while adhering to the mission of providing for the educational needs of its students. The Unit intends to continue to employ this practice in future years. With the continued uncertainty of future revenue streams, the Unit recognizes that it will be crucial for it to establish and maintain open communication with all RSU No. 6 stakeholders.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Unit's finances and to show the Unit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Unit's Business Office at 94 Main Street, Buxton, Maine 04093.

REGIONAL SCHOOL UNIT NO. 6

STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 19,228,650
Accounts receivable (net of allowance for uncollectibles):	
Intergovernmental	920,289
Other	958,332
Inventory	<u>58,858</u>
Total current assets	<u>21,166,129</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure and other assets not being depreciated	4,113,398
Buildings and equipment, net of accumulated depreciation	<u>35,647,779</u>
Total noncurrent assets	<u>39,761,177</u>
 TOTAL ASSETS	 <u>60,927,306</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,449,561
Deferred outflows related to OPEB	<u>1,704,431</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,153,992</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 65,081,298</u>

STATEMENT A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,235,722
Accrued expenses	4,117,619
Due to other governments	2,533
Current portion of long-term obligations	<u>2,687,490</u>
Total current liabilities	<u>8,043,364</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	6,834,660
Notes from direct borrowings payable	4,561,856
Accrued compensated absences	382,424
Net pension liability	1,964,434
Net OPEB liability	<u>9,729,388</u>
Total noncurrent liabilities	<u>23,472,762</u>
TOTAL LIABILITIES	<u>31,516,126</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	27,983
Deferred inflows related to pensions	453,437
Deferred inflows related to OPEB	<u>684,792</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,166,212</u>
NET POSITION	
Net investment in capital assets	25,711,771
Restricted	2,745,355
Unrestricted	<u>3,941,834</u>
TOTAL NET POSITION	<u>32,398,960</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 65,081,298</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT B

REGIONAL SCHOOL UNIT NO. 6

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Regular instruction	\$ 22,339,505	\$ 112,608	\$ -	\$ -	\$ (22,226,897)
Other instruction	992,816	-	-	-	(992,816)
Transportation	3,163,132	-	-	-	(3,163,132)
Operations and maintenance	5,723,614	-	-	-	(5,723,614)
Special education	9,070,760	-	-	-	(9,070,760)
Student and staff support	4,866,371	-	-	-	(4,866,371)
School administration	2,377,393	-	-	-	(2,377,393)
System administration	2,324,182	-	-	-	(2,324,182)
Other	14,125	-	-	-	(14,125)
State of Maine on-behalf payments	5,241,666	-	5,241,666	-	-
Interest on long-term debt	436,758	-	-	-	(436,758)
Program expenses	8,337,152	119,010	4,802,091	-	(3,416,051)
Total government	<u>\$ 64,887,474</u>	<u>\$ 231,618</u>	<u>\$ 10,043,757</u>	<u>\$ -</u>	<u>(54,612,099)</u>

STATEMENT B (CONTINUED)

REGIONAL SCHOOL UNIT NO. 6

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(54,612,099)</u>
General revenues:	
Support from towns	32,498,186
Grants and contributions not restricted to specific programs	24,466,316
Investment income	424,603
Miscellaneous	<u>773,612</u>
Total general revenues	<u>58,162,717</u>
Change in net position	3,550,618
NET POSITION - JULY 1, RESTATED	<u>28,848,342</u>
NET POSITION - JUNE 30	<u>\$ 32,398,960</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C

REGIONAL SCHOOL UNIT NO. 6

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	School Lunch Fund	IDEA Local Entitlement	ESSERF Fund	ESSERF 2 Fund	ESSERF 3 Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 16,561,768	\$ 259,102	\$ -	\$ -	\$ -	\$ -	\$ 2,005,226	\$ 402,554	\$ 19,228,650
Accounts receivables (net of allowance for uncollectibles):	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	530,738	-	389,551	920,289
Other	687,328	28,628	242,341	-	-	-	-	35	958,332
Inventory	-	58,858	-	-	-	-	-	-	58,858
Due from other funds	1,168,269	580,828	67,156	22,451	2,036	9,541	1,249,695	1,005,274	4,105,250
TOTAL ASSETS	\$ 18,417,365	\$ 927,416	\$ 309,497	\$ 22,451	\$ 2,036	\$ 540,279	\$ 3,254,921	\$ 1,797,414	\$ 25,271,379
LIABILITIES									
Accounts payable	\$ 650,984	\$ 28,079	\$ 14,904	\$ -	\$ -	\$ 72,236	\$ 428,746	\$ 40,773	\$ 1,235,722
Accrued expenses	4,085,482	-	-	-	-	24,298	-	7,839	4,117,619
Due to other governments	2,533	-	-	-	-	-	-	-	2,533
Due to other funds	2,936,981	7,296	294,593	22,451	2,036	443,745	-	398,148	4,105,250
TOTAL LIABILITIES	7,675,980	35,375	309,497	22,451	2,036	540,279	428,746	446,760	9,461,124
DEFERRED INFLOWS OF RESOURCES									
Deferred revenue	-	27,983	-	-	-	-	-	-	27,983
TOTAL DEFERRED INFLOWS OF RESOURCES	-	27,983	-	-	-	-	-	-	27,983
FUND BALANCES									
Nonspendable	-	58,858	-	-	-	-	-	-	58,858
Restricted	-	-	-	-	-	-	2,323,742	421,613	2,745,355
Committed	-	-	-	-	-	-	502,433	-	502,433
Assigned	3,500,000	-	-	-	-	-	-	930,424	4,430,424
Unassigned (Deficit)	7,241,385	805,200	-	-	-	-	-	(1,383)	8,045,202
TOTAL FUND BALANCES	10,741,385	864,058	-	-	-	-	2,826,175	1,350,654	15,782,272
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 18,417,365	\$ 927,416	\$ 309,497	\$ 22,451	\$ 2,036	\$ 540,279	\$ 3,254,921	\$ 1,797,414	\$ 25,271,379

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
Total Fund Balances	\$ 15,782,272
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	39,761,177
Deferred outflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	2,449,561
OPEB	1,704,431
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(8,201,592)
Notes from direct borrowings payable	(5,847,814)
Accrued compensated absences	(417,024)
Net pension liability	(1,964,434)
Net OPEB liability	(9,729,388)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	(453,437)
OPEB	(684,792)
Net position of governmental activities	<u>\$ 32,398,960</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E

REGIONAL SCHOOL UNIT NO. 6

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	School Lunch Fund	IDEA Local Entitlement	ESSERF Fund	ESSERF 2 Fund	ESSERF 3 Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES									
Support from towns	\$ 31,997,879	\$ 316,392	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,915	\$ 32,498,186
Intergovernmental revenues	22,135,630	2,298,559	654,981	-	251,178	1,548,803	781,883	1,597,373	29,268,407
State of Maine on-behalf payments	3,481,330	-	-	-	-	-	-	-	3,481,330
Charges for services	112,608	61,680	-	-	-	-	-	57,330	231,618
Investment income	424,603	-	-	-	-	-	-	-	424,603
Other income	3,022	9,124	-	-	-	-	87,008	674,458	773,612
TOTAL REVENUES	58,155,072	2,685,755	654,981	-	251,178	1,548,803	868,891	2,513,076	66,677,756
EXPENDITURES									
Current:									
Regular instruction	20,703,167	-	-	-	-	-	-	-	20,703,167
Other instruction	992,816	-	-	-	-	-	-	-	992,816
Transportation	3,765,267	-	-	-	-	-	-	-	3,765,267
Operations and maintenance	7,378,011	-	-	-	-	-	-	-	7,378,011
Special education	9,070,760	-	-	-	-	-	-	-	9,070,760
Student and staff support	4,477,060	-	-	-	-	-	-	-	4,477,060
School administration	2,377,393	-	-	-	-	-	-	-	2,377,393
System administration	1,470,585	-	-	-	-	-	-	-	1,470,585
Other	14,125	-	-	-	-	-	-	-	14,125
Program expenses	-	2,278,930	654,981	-	251,178	1,548,803	993,870	2,609,390	8,337,152
State of Maine on-behalf payments	3,481,330	-	-	-	-	-	-	-	3,481,330
Debt service:									
Principal	1,366,932	-	-	-	-	-	363,810	-	1,730,742
Interest	436,758	-	-	-	-	-	-	-	436,758
TOTAL EXPENDITURES	55,534,204	2,278,930	654,981	-	251,178	1,548,803	1,357,680	2,609,390	64,235,166
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,620,868	406,825	-	-	-	-	(488,789)	(96,314)	2,442,590
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	1,247,722	5,117	1,252,839
Transfers (out)	(1,252,839)	-	-	-	-	-	-	-	(1,252,839)
TOTAL OTHER FINANCING SOURCES (USES)	(1,252,839)	-	-	-	-	-	1,247,722	5,117	-
NET CHANGE IN FUND BALANCES	1,368,029	406,825	-	-	-	-	758,933	(91,197)	2,442,590
FUND BALANCES - JULY 1, Restated	9,373,356	457,233	-	-	-	-	2,067,242	1,441,851	13,339,682
FUND BALANCES - JUNE 30	\$ 10,741,385	\$ 864,058	\$ -	\$ -	\$ -	\$ -	\$ 2,826,175	\$ 1,350,654	\$ 15,782,272

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

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, 2023

Net change in fund balances - total governmental funds (Statement E) \$ 2,442,590

Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:

Capital asset acquisitions	3,734,943
Capital asset disposals (net)	(302,355)
Depreciation expense	<u>(3,211,339)</u>
	<u>221,249</u>

Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:

Pensions	1,029,925
OPEB	<u>366,426</u>
	<u>1,396,351</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position

(1,176,810)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position

2,953,954

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:

Accrued compensated absences	(278,624)
Net pension liability	(1,556,729)
Net OPEB liability	<u>(730,510)</u>
	<u>(2,565,863)</u>

Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:

Pensions	110,430
OPEB	<u>168,717</u>
	<u>279,147</u>

Change in net position of governmental activities (Statement B) \$ 3,550,618

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Regional School Unit No. 6 was incorporated under the laws of the State of Maine effective July 1, 2009. This was a result of changes made within the Department of Education in regard to classification and definition of educational entities. The Unit did not change its prior name (Maine School Administrative Unit No. 6) with certain agencies such as banks, Internal Revenue Service and the Maine Bond Bank and continues to do business under its prior name.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Unit has no proprietary funds and all activities of the Unit are categorized as governmental.

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

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

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

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

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

various funds are reported by generic classification within the financial statements. The following fund types are used by the Unit:

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the Unit. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The School Lunch Fund is used to account for the intergovernmental and charges for services revenues and expenditures related to the lunch program.
- c. The IDEA Local Entitlement Fund is used to account for the intergovernmental revenues and expenditures in the local entitlement grant program.
- d. The ESSERF Fund is used to account for the intergovernmental revenues and expenditures in the ESSERF grant program.
- e. The ESSERF 2 Fund is used to account for the intergovernmental revenues and expenditures in the ESSERF 2 grant program.
- f. The ESSERF 3 Fund is used to account for the intergovernmental revenues and expenditures in the ESSERF 3 grant program.
- g. The Capital Projects Fund is used to account for debt proceeds and interfund transfer revenues and expenditures to be used for the acquisition or construction of major capital facilities or equipment.

Nonmajor Funds

- h. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- i. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The primary revenue source is bond proceeds and interfund transfers.
- j. Permanent Funds are used to account for assets held by the Unit that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Unit or its citizenry. The Unit's policy for authorizing and spending investment income follows State statutes.

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

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

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

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

Revenues per budgetary basis	\$ 54,673,742
Add: On-behalf payments	<u>3,481,330</u>
Total GAAP basis	<u>\$ 58,155,072</u>
Expenditures per budgetary basis	\$ 53,305,713
Add: On-behalf payments	<u>3,481,330</u>
Total GAAP basis	<u>\$ 56,787,043</u>

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

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

Deposits and Investments

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Regional School Unit No. 6 has a formal investment policy which is in compliance with the State of Maine Statutes. The policy will be reviewed and updated as needed in the future.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts in the school lunch fund is estimated to be \$29,189 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$1,878,621 for the year ended June 30, 2023.

Inventories

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

Interfund Receivables and Payables

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values. Buxton Center Elementary School has \$47,362 in artwork, which consisted of individual scenes made of floor tiles called the River Walk, that has been capitalized as art and historical items. These items are categorized as non-depreciable assets as they are considered inexhaustible.

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

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

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

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

Other Post-Employment Benefits (OPEB)

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

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

Net Position

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

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

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

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

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

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

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

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Unit has deferred amounts related to pensions and OPEB that qualify for reporting in this category. These items are reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenues qualify for reporting in this category. Deferred revenues are reported on the balance sheet and the statement of net position. Deferred amounts related to pensions and OPEB also qualify for reporting in this category. Deferred amounts related to pensions and OPEB are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Program Revenues

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

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Unit does not utilize encumbrance accounting for its general fund.

Use of Estimates

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Deposits:

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

At June 30, 2023, the Unit's book balance of \$19,228,650 was comprised of bank deposits of \$19,253,294. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Unit's cash balance. \$16,909,342 of these bank deposits were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining deposits of \$2,343,952 were collateralized with securities held by the financial institution in the Unit's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking	\$ 588,727
Money market accounts	2,088,383
ICS accounts	16,576,184
	<u>\$ 19,253,294</u>

Investments:

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

Interest rate risk - The risk that changes in interest rates will adversely affect the fair value of an investment. The Unit does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2023, the Unit had \$0 in investments.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINTUED)

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are amounts that are owed between the individual funds. As most of the funds do not have their own cash accounts, their receipts and expenditures flow through the general fund cash accounts and are recorded in the individual funds through the use of the interfund receivables and payables. These balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 1,168,269	\$ 2,936,981
School Lunch Fund	580,828	7,296
IDEA Local Entitlement Fund	67,156	294,593
ESSERF Fund	22,451	22,451
ESSERF 2 Fund	2,036	2,036
ESSERF 3 Fund	9,541	443,745
State Revolving Loan Fund	1,249,695	-
Nonmajor Special Revenue Funds	991,991	382,316
Nonmajor Capital Projects Funds	13,283	13,283
Nonmajor Permanent Funds	-	2,549
	<u>\$ 4,105,250</u>	<u>\$ 4,105,250</u>

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2023 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 1,252,839	\$ -
State Revolving Loan Fund	-	1,247,722
Nonmajor Special Revenue Funds	-	5,117
	<u>\$ 1,252,839</u>	<u>\$ 1,252,839</u>

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Disposals	Balance, 6/30/23
Non-depreciated assets:				
Land	\$ 2,688,477	\$ -	\$ -	\$ 2,688,477
Artwork	47,362	-	-	47,362
Construction in progress	390,252	1,214,551	(227,244)	1,377,559
	<u>3,126,091</u>	<u>1,214,551</u>	<u>(227,244)</u>	<u>4,113,398</u>
Depreciated assets:				
Land improvements	3,300,701	-	-	3,300,701
Buildings	74,006,773	-	-	74,006,773
Building improvements	17,106,443	759,996	-	17,866,439
Equipment	9,533,235	986,230	(3,089,950)	7,429,515
Furniture and fixtures	2,572,139	63,611	-	2,635,750
Vehicles	7,276,080	937,799	(1,730,835)	6,483,044
Infrastructure	2,039,744	-	-	2,039,744
	<u>115,835,115</u>	<u>2,747,636</u>	<u>(4,820,785)</u>	<u>113,761,966</u>
Less: Accumulated depreciation	<u>(79,421,278)</u>	<u>(3,211,339)</u>	<u>4,518,430</u>	<u>(78,114,187)</u>
	<u>36,413,837</u>	<u>(463,703)</u>	<u>(302,355)</u>	<u>35,647,779</u>
Net capital assets	<u>\$ 39,539,928</u>	<u>\$ 750,848</u>	<u>\$ (529,599)</u>	<u>\$ 39,761,177</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

BEHS	\$ 136,717
BEMS	337,059
Bus Garage	335,664
BCES	644,684
Central Office	1,330
District-wide	779,245
Edna Libby	6,900
Eliza Libby	3,207
Frank Jewett	68,840
George E Jack	8,617
HB Emery	64,810
Hollis	84,214
Jack Memorial	7,042
Maintenance	264,374
Sewer	73,022
Steep Falls	6,303
Technology	389,311
Total depreciation expense	<u>\$ 3,211,339</u>

NOTE 6 - LONG-TERM DEBT

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

	Balance 7/1/22	Additions	Reductions	Balance, 6/30/23	Current Amount
Bond payable	\$ 9,568,524	\$ 363,810	\$ (1,730,742)	\$ 8,201,592	\$ 1,366,932
Notes from direct borrowings payable	6,258,026	813,000	(1,223,212)	5,847,814	1,285,958
Totals	<u>\$ 15,826,550</u>	<u>\$ 1,176,810</u>	<u>\$ (2,953,954)</u>	<u>\$ 14,049,406</u>	<u>\$ 2,652,890</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bond outstanding as of June 30, 2023:

Bonds totaling \$27,338,632 were issued in October of 2008 to finance the Buxton Elementary School renovation. Annual principal payments are \$1,366,931. The fixed interest rate ranges from 2.075% to 5.575% per annum. The bonds will mature in November of 2028. The bonds are administered by the Maine Municipal Bond Bank.

\$ 8,201,592

Total bond payable

\$ 8,201,592

The following is a summary of the notes from direct borrowings payable as of June 30, 2023:

Lease payable to Honeywell International, Inc. to finance an energy conservation project at the Unit. Lease incurred in May of 2017. Amount financed was \$2,491,145 for 15 years at a fixed interest rate of 3.185% per annum. Annual principal and interest payments are \$202,419.

1,766,744

Lease payable to Honeywell International, Inc. to finance an energy conservation project at the Unit. Lease incurred in February of 2018. Amount financed was \$2,498,511 for 15 years at a fixed interest rate of 3.185% per annum. Annual principal and interest payments are \$208,283.

1,760,041

Lease payable to Gorham Savings Leasing Group LLC to finance five school buses. Lease incurred in November of 2019. Amount financed was \$525,000 for 4 years. Quarterly principal and interest payments are \$34,650. The fixed interest rate is 2.738% per annum. Maturity in October of 2023.

68,595

Lease payable to Wells Fargo Vendor Financial to finance computers. Lease incurred in September of 2020. Amount financed was \$458,561 for 3 years with an initial payment of \$80,000 upon signing of lease. Annual principal and interest payments are \$129,642. The fixed interest rate is 1.490% per annum.

127,741

Lease payable to Gorham Savings Leasing Group LLC to finance two trucks and two vans. Lease incurred in October of 2020. Amount financed was \$192,000 for 4 years. Quarterly principal and interest payments are \$12,373. The fixed interest rate is 1.610% per annum. Maturity in July of 2024.

61,104

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Lease payable to Gorham Savings Leasing Group LLC to finance a bus. Lease incurred in November of 2020. Amount financed was \$106,927 for 4 years with an advance payment of \$6,910. Quarterly principal and interest payments are \$6,910. The fixed interest rate is 1.699% per annum. Maturity in September of 2024.	34,114
Lease payable to Gorham Savings Leasing Group LLC to finance a loader. Lease incurred in July of 2021. Amount financed was \$105,605 for 3 years. Annual principal and interest payments are \$35,798. The fixed interest rate is 1.630% per annum. Maturity in August of 2023.	35,224
Lease payable to Gorham Savings Leasing Group LLC to finance computer technology. Lease incurred in July of 2021. Amount financed was \$850,000 for 4 years. Annual principal and interest payments are \$218,229. The fixed interest rate is 1.750% per annum. Maturity in August of 2024.	425,262
Lease payable to Gorham Savings Leasing Group LLC to finance eight school buses. Lease incurred in October of 2021. Amount financed was \$738,296 for 4 years. Quarterly principal and interest payments are \$47,511. The fixed interest rate is 1.650% per annum. Maturity in October of 2025.	373,130
Lease payable to Gorham Savings Leasing Group LLC to finance copiers. Lease incurred in May of 2022. Amount financed was \$421,029 for 5 years. Annual principal and interest payments are \$92,662. The fixed interest rate is 2.900% per annum. Maturity in August of 2027.	421,029
Lease payable to Gorham Savings Leasing Group LLC to finance six school buses. Lease incurred in September of 2022. Amount financed was \$813,000 for 4 years. Quarterly principal and interest payments are \$47,511. Fixed interest rate is 3.350% per annum. Maturity date of October 2025.	<u>774,830</u>
Total notes from direct borrowings payable	<u>\$ 5,847,814</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Bond Payable			Notes from Direct Borrowings Payable		Total
	Principal	Interest	Credits Applied to Interest	Principal	Interest	
2024	\$ 1,366,932	\$ 359,677	\$ (57,665)	\$ 1,285,958	\$ 158,284	\$ 3,113,186
2025	1,366,932	281,806	(58,585)	1,026,744	124,891	2,741,788
2026	1,366,932	204,592	(59,458)	623,419	100,679	2,236,164
2027	1,366,932	128,838	(61,122)	587,241	81,674	2,103,563
2028	1,366,932	19,804	(62,131)	436,621	66,743	1,827,969
2029-2033	1,366,932	6,602	(187,685)	356,509	54,193	1,596,551
2034-2037	-	-	-	1,531,322	111,489	1,642,811
	<u>\$ 8,201,592</u>	<u>\$ 1,001,319</u>	<u>\$ (486,646)</u>	<u>\$ 5,847,814</u>	<u>\$ 697,953</u>	<u>\$ 15,262,032</u>

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2023 is as follows:

	Balance, 7/1/22	Additions	Reductions	Balance, 6/30/23	Current Amount
Accrued compensated absences	\$ 138,400	\$ 278,624	\$ -	\$ 417,024	\$ 34,600
Net pension liability	407,705	2,547,656	(990,927)	1,964,434	-
Net OPEB liability	8,998,878	959,264	(228,754)	9,729,388	-
	<u>\$ 9,544,983</u>	<u>\$ 3,785,544</u>	<u>\$ (1,219,681)</u>	<u>\$ 12,110,846</u>	<u>\$ 34,600</u>

Refer to Notes 8, 15 and 20 for more detailed information regarding other long-term obligations.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Unit's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. Usually, any potential liability is paid out at the time of severance and is known ahead of time. The accrual as of June 30, 2023 is for administration. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2023, the Unit's liability for compensated absences is \$417,024.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Unit at June 30, 2020:

Invested in capital assets	\$ 117,875,364
Accumulated depreciation	(78,114,187)
Outstanding capital related debt	<u>(14,049,406)</u>
	<u>\$ 25,711,771</u>

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2023, the Unit had the following restricted net position:

Capital projects fund	\$ 2,323,742
Nonmajor special revenue funds:	
Wilkinson foundation	2,628
Food serv grants	3,922
AEFLA grant	4,026
PEPG	1,905
Title IA prog improv	807
E-rate	42,894
Student activities fund	287,001
Nonmajor permanent funds:	
Marian Gowen fund	6,769
Hollis High School	1,693
Millicent Smith fund	441
Travis Ritchie memorial	9,920
Robert L. Hutchinson memorial	1,176
Ken Willard memorial	349
Gabrielle Irene Kennendy memorial	535
Usher Goff/Towle memorial	4,156
Scholarship Proper	5,202

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES
(CONTINUED)

Shawna Bailey fund	968
BEMS scholarship savings	9,045
SIS scholarship	5,919
Frank Damon Jr. memorial	692
Richard C. Randall scholarship	547
BEHS fund	3,193
Hollis rescue	3,044
Brian Staples memorial	1,180
Saco & Biddeford Savings Bank scholarship	2,064
Lori Cates scholarship	2,201
Jeannette Chester and Barbara Dennett	19,336
	<u>\$ 2,745,355</u>

NOTE 11 - NONSPENDABLE FUND BALANCE

At June 30, 2023, the Unit had the following nonspendable fund balance:

School lunch fund:	
Inventory	<u>\$ 58,858</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2023, the Unit had the following assigned fund balances:

General fund:	
Assigned for 2023/2024 budget	\$ 3,500,000
Nonmajor special revenue funds (Schedule D)	<u>930,424</u>
	<u>\$ 4,430,424</u>

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2023, the Unit had the following deficit fund balances:

Nonmajor Special Revenue Funds:	
... Adult basic education	<u>\$ 1,383</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 14 - RISK MANAGEMENT

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

Based on the coverage provided by the insurance purchased, the Unit is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2023. There were no significant reductions in insurance coverage from that of the prior year.

NOTE 15 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members. As of June 30, 2022, there were 239 employers, including the State of Maine, participating in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.52%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Unit's plan members are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for employees covered by this program was approximately \$25,805,464 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 14.29% of the Unit's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$3,481,330 for the year ended June 30, 2023. Title 5 of the Maine Revised Statutes Annotated also requires the Unit to contribute at an actuarially determined normal cost rate of 3.84%, which totaled \$990,927 for 2023. In addition, the Unit is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 14.89% of compensation and totaled \$208,109 the year ended June 30, 2023.

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

At June 30, 2023, the Unit reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Unit. The amount recognized by the Unit as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Unit were as follows:

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Unit's proportionate share of the net pension liability	\$ 1,964,434
State's proportionate share of the net pension liability associated with the Unit	<u>24,353,927</u>
Total	<u>\$ 26,318,361</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Unit's proportion of the net pension liability was based on a projection of the Unit's long-term share of contributions to the pension plan relative to the projected contributions of all participating school Units and the State, actuarially determined. At June 30, 2022, the Unit's proportion was 0.132292%, which was an increase of 0.084090% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Unit recognized total pension expense of \$1,693,926 and revenue of \$3,687,601 for support provided by the State of Maine. At June 30, 2023, the Unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,861	\$ 386,901
Changes of assumptions	381,447	-
Net difference between projected and actual earnings on pension plan investments	-	66,536
Changes in proportion and differences between employer contributions and proportionate share of contributions	979,326	-
Contributions subsequent to the measurement date	<u>990,927</u>	<u>-</u>
Total	<u>\$ 2,449,561</u>	<u>\$ 453,437</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$990,927 reported as deferred outflows of resources related to pensions resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan
Plan year ended June 30:	
2023	\$ 613,974
2024	143,694
2025	65,047
2026	182,482
2027	-
Thereafter	-

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2022 using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

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

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Valuation Method

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

Amortization

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

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2022 are as follows:

Investment Rate of Return - 6.50% per annum for the year ended June 30, 2022 and 2021, compounded annually.

Salary Increases, Merit and Inflation - state employees, 2.80% - 13.03%

Mortality Rates - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - 2.20% per annum for the year ended June 30, 2022.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2022 are summarized in the following table.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	SET Plan	
	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2022 for the State Employee and Teacher Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the State Employee and Teacher Plan.

	1% Decrease	Discount Rate	1% Increase
SET Plan:			
Discount rate	5.50%	6.50%	7.50%
Unit's proportionate share of the net pension liability (asset)	\$ 3,846,830	\$ 1,964,434	\$ 397,145

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2022 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2022 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2021 through 2017, this was three years for the SET Plan.

Differences between Expected and Actual Investment Earnings

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

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2022 Annual Comprehensive Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

NOTE 16 - DEFERRED COMPENSATION PLAN

The Unit offers three of its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to the Superintendent, Assistant Superintendent and Business Manager, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

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

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

The Unit makes contributions to the Plan based on the employee's contracts with the Unit and range from 10% to 20%. The Unit's contributions for fiscal year 2023 was \$59,045.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 – VALIC AND TCG ANNUITY PLANS

The Unit offered its employees an annuity plan with VALIC through December 31, 2022. On January 1, 2023 the Unit began offering an annuity plan through TCG (Trusted Capital Group). The plan, available to all employees not enrolled in the MEPERS Plan, permits them to defer a portion of their salary until future years. The plan contributions are not available to employees until termination, retirement, death or unforeseen emergency.

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

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

The Unit makes contributions to the Plan based on the employee's contract or CBA. The Unit's VALIC contributions for fiscal year 2023 was \$72,609 and for TCG was \$81,328.

NOTE 18 - CONTINGENCIES

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

The Unit participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Unit's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

The Unit receives subsidy funding payments through the State of Maine. The State subsidy payment amount is adjusted quarterly for the Unit's share of MaineCare Seed, which is the required local share of MaineCare revenue that the State pays on behalf of the Unit and then recovers through the ED 279. Adjustments made by the State in the fiscal year of 2023 could include expenditures from the fiscal year of 2022 that would normally be accrued. The actual amount cannot be determined at this time; however, it is the position of the Unit that this practice is consistent with the formal recommendation of the Maine Department of Education to all Maine units concerning this matter.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE INSURANCE
PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATE EMPLOYEE AND TEACHER PLAN

Plan Description

All schoolteachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. As of June 30, 2022, there were 228 employers, including the State of Maine, participating in the plan. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.mainebers.org or by contacting the System at (800) 451-9800.

Benefits Provided

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

Contributions

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) GROUP LIFE
INSURANCE PLAN (CONTINUED)

associated with retired teachers. The State's contribution to the Plan for the year ended June 30, 2023 were approximately \$74,846.

OPEB Liabilities and OPEB Expense

At June 30, 2023, the Unit reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the Unit. The total portion of the net OPEB liability that was associated with the Unit were as follows:

Unit's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Unit	<u>625,010</u>
Total	<u>\$ 625,010</u>

For the year ended June 30, 2023, the Unit recognized net OPEB expense of \$66,410 and revenue of \$66,410 for support provided by the State of Maine.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

Plan Description

The State of Maine and Unit retirees contribute to the Unit's OPEB Plan with the Maine Education Association Benefits Trust (MEABT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the State, the Unit and/or the Unit retirees. MEABT is a fully funded, self-insured trust which provides benefits to education organizations and acts as the agent to the Unit concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MEABT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MEABT participants and are administered by a number of third-party administrators contracted by MEABT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MEABT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MEABT at (888) 622-4418.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Benefits Provided

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

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active members	507
Retirees and spouses	<u>218</u>
Total	<u><u>725</u></u>

Cost Sharing Provisions/Contributions

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

Employee/Retiree Premium Amounts

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Pre-Medicare	Employee Only	Employee/ Spouse	Employer/ Child(ren)	Employee/ Family
Choice Plus	\$ 823.80	\$ 1,856.71	\$ 1,457.96	\$ 2,259.86
Standard \$200 Ded	\$ 889.60	\$ 2,005.24	\$ 1,574.58	\$ 2,440.65
Standard \$500 Ded	\$ 782.61	\$ 1,763.87	\$ 1,385.06	\$ 2,146.87

Medicare

Medicare-Eligible Retirees	\$ 387.76	\$ 775.52
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**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to OPEB**

At June 30, 2023, the Unit reported a liability of \$9,729,388 for its total OPEB liability for this Plan. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. The Unit's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2023, the Unit recognized OPEB expense of \$195,367. At June 30, 2023, the Unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MEABT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 577,100
Changes of assumptions	1,415,019	107,692
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	289,412	-
Total	<u>\$ 1,704,431</u>	<u>\$ 684,792</u>

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN (CONTINUED)

\$289,412 were reported as deferred outflows of resources related to OPEB resulting from Unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MEABT
Plan year ended June 30:	
2023	\$ 117,290
2024	117,288
2025	171,138
2026	102,404
2027	80,886
Thereafter	141,221

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of June 30, 2021. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.54% per annum for June 30, 2023 was based upon a measurement date of June 30, 2022. The sensitivity of total OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 11,241,849	\$ 9,729,388	\$ 8,506,069
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 11,241,849</u>	<u>\$ 9,729,388</u>	<u>\$ 8,506,069</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN (CONTINUED)

developments. The sensitivity of total OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 8,431,762	\$ 9,729,388	\$ 11,354,119
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 8,431,762</u>	<u>\$ 9,729,388</u>	<u>\$ 11,354,119</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2022, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

Assumptions

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

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

Discount Rate - 3.54% per annum for year-end 2022 reporting, 2.16% per annum for year-end 2021 reporting.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Trend Assumptions:

Health care trend assumptions used were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model version 2023_1f. The following assumptions were applied in this model as below:

Trend Assumption Inputs

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.70%
Rate of Growth in Real Income/GDP per capita 2032+	1.40%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.90%
Year for Limiting Cost Growth to GDP Growth	2042

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

Pre-Medicare - Initial trend of 7.95% applied in FYE 2023 and 4.00% applied in FYE 2022 grading over 18 years to 3.25% per annum.

Medicare - Initial trend of 0.0% applied in FYE 2023 and 5.62% applied in FYE 2024 grading over 18 years to 4.29% per annum.

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

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine Public Employees Retirement System State Employee and Teacher Retirement Program at June 30, 2021 and based on the experience study covering the period from June 30, 2015 through June 30, 2020. The proposed assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting. As of June 30, 2022, they are as follows:

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

Rates of Turnover - Rates vary for plans based on service

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Disability Incidence - Rates vary for plans based on age

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

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

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

Administrative expenses - Included in the per capita claims cost

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

Salaries - Salaries were not provided by the client. Assumed salaries are inferred using the Teachers Age/Service Salary scatter from the Maine State Teachers Retirement System's salary age/service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Based on the dates of hire assumed above and the participant's actual age, pay was assigned using the salary age service scatter, unless otherwise supplied by the district group during its review of the active data.

Dates of Hire - Were not available from the client and were available from the State Retirement Agency. Dates of hire were inferred using the Maine State Retirement System's Age/Service scatter from the June 30, 2022 Maine Public Employees Retirement System State Employee and Teacher Retirement Program valuation. Those under 1 year of service, the date was assumed to be January 1, 2022 and all other groups were assumed to be hired on July 1 of each service midpoint.

Rate of Mortality:

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

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

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

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

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

Retiree Continuation Percentage:

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

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

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

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

Significant actuarial assumptions employed by the actuary for claims and expense purposes are the based on the actual community rated premiums of the entire group. As of June 30, 2022, they are as follows:

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Monthly Per Capital Claims and Expense Cost - Claims are based on community rated premiums through July 1, 2022 and projects through June 30, 2023 and associate enrollment in the various options offered. Annual administrative and claims adjudication expenses are assumed to be included in the annual premiums.

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

Medicare Eligibility - Assumed to be age 65, with the exception of retirees over age 65 who are not in the Medicare Advantage Plan are assumed to never be eligible for Medicare, all current actives with a hire date before March 31, 1986 are assumed to never be eligible for Medicare.

Changes in Total OPEB Liability

Changes in total OPEB liability are recognized in OPEB expense for the year ended June 30, 2022 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the fiscal year ended June 30, 2022, there were no differences between expected and actual experience.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense over the average expected remaining service life of all active and inactive Plan members. As of the beginning of the measurement period, this average was 7 years. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for year ending June 30, 2019. For the fiscal year ended June 30, 2022, there were no changes in assumptions.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) MEDICAL PLAN
(CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Unit Office at 94 Main Street, Buxton, Maine 04093.

NOTE 21 - INTERLOCAL AGREEMENT

The Greater Sebago Education Alliance Region Service Center Board was created in 2018 as an interlocal agreement, pursuant to the provisions of Title 20-A M.R.S. Chapter 123, §§ 3801 *et seq.* and Title 30, Chapter 115, §§ *et seq.* of the Maine Revised Statutes. The Greater Sebago Education Alliance Region Service Center Board was formed for the purpose of enhancing student learning opportunities and to maximize available and desired resources through the establishment of shared regional initiatives.

The agreement was made between Brunswick School Department, Cape Elizabeth School Department, Gorham Department of Education, Portland Public Schools, Scarborough School Department, South Portland Department of Education, Westbrook School Department, Maine School Administrative Unit No. 6, Maine School Administrative Unit No. 15, Regional School Unit No. 5 and Regional School Unit No. 14. The Maine School Administrative Unit No. 6 is acting as the fiscal agent for the Center through June 30, 2023, then the fiscal agent becomes the Gorham School Department. The accounting policies of the Greater Sebago Education Alliance Region Service Center Board conform to generally accepted accounting principles. Complete financial statements may be obtained from the Unit Office at 94 Main Street, Buxton, Maine 04093.

NOTE 22 - COMPARATIVE DATA/RECLASSIFICATIONS

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

REGIONAL SCHOOL UNIT NO. 6

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 23 - RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2022 to adjust for capital assets that were recorded twice in the prior year. Noncurrent capital assets were reduced by \$222,372.

The resulting restatement decreased total net position for governmental activities from \$29,070,714 to \$28,848,342.

Required Supplementary Information

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

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

REGIONAL SCHOOL UNIT NO. 6

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 9,373,356	\$ 9,373,356	\$ 9,373,356	\$ -
Resources (Inflows):				
Support from towns	31,997,879	31,997,879	31,997,879	-
Intergovernmental revenues:				
State Subsidy	21,947,908	21,947,908	21,947,908	-
Mainecare	100,000	100,000	54,857	(45,143)
State agency clients	100,000	100,000	118,571	18,571
Other	-	-	14,294	14,294
Charges for services	-	-	112,608	112,608
Investment income	-	-	424,603	424,603
Other income	40,000	40,000	3,022	(36,978)
Amounts Available for Appropriation	<u>63,559,143</u>	<u>63,559,143</u>	<u>64,047,098</u>	<u>487,955</u>
Charges to Appropriations (Outflows):				
Regular instruction	21,989,114	21,989,114	20,703,167	1,285,947
Career and technical	10,000	10,000	-	10,000
Other instruction	1,002,459	1,002,459	992,816	9,643
Transportation	3,866,082	3,866,082	3,765,267	100,815
Operations and maintenance	8,159,441	7,378,011	7,378,011	-
Special education	9,712,670	9,712,670	9,070,760	641,910
Student and staff support	5,570,928	5,099,519	4,477,060	622,459
School administration	2,815,945	2,815,945	2,377,393	438,552
System administration	1,588,558	1,588,558	1,470,585	117,973
Debt service:				
Principal	1,366,932	1,366,932	1,366,932	-
Interest	436,758	436,758	436,758	-
Other	16,900	16,900	14,125	2,775
Transfers to other funds	-	1,252,839	1,252,839	-
Total Charges to Appropriations	<u>56,535,787</u>	<u>56,535,787</u>	<u>53,305,713</u>	<u>3,230,074</u>
Budgetary Fund Balance, June 30	<u>\$ 7,023,356</u>	<u>\$ 7,023,356</u>	<u>\$ 10,741,385</u>	<u>\$ 3,718,029</u>
Utilization of unassigned fund balance	<u>\$ 2,350,000</u>	<u>\$ 2,350,000</u>	<u>\$ -</u>	<u>\$ (2,350,000)</u>

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
SET Plan:									
Unit's proportion of the net pension liability	0.13%	0.05%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%	0.04%
Unit's proportionate share of the net pension liability	\$ 1,964,434	\$ 407,705	\$ 534,465	\$ 456,459	\$ 413,834	\$ 494,530	\$ 688,627	\$ 534,822	\$ 446,576
State's proportionate share of the net pension liability associated with the Unit	24,353,927	14,436,110	28,439,780	25,692,644	23,969,192	25,193,644	30,852,798	23,829,576	18,549,184
Total	<u>\$ 26,318,361</u>	<u>\$ 14,843,815</u>	<u>\$ 28,974,245</u>	<u>\$ 26,149,103</u>	<u>\$ 24,383,026</u>	<u>\$ 25,688,174</u>	<u>\$ 31,541,425</u>	<u>\$ 24,364,398</u>	<u>\$ 18,995,760</u>
Unit's covered payroll	\$ 25,210,795	\$ 24,464,991	\$ 23,426,150	\$ 22,791,524	\$ 20,711,185	\$ 19,983,056	\$ 20,960,456	\$ 20,319,395	\$ 19,848,056
Unit's proportionate share of the net pension liability as a percentage of its covered payroll	7.79%	1.67%	2.28%	2.00%	2.00%	2.47%	3.29%	2.63%	2.25%
Plan fiduciary net position as a percentage of the total pension liability	85.79%	90.90%	81.03%	84.52%	85.17%	80.78%	80.80%	81.20%	83.91%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>SET Plan:</u>									
Contractually required contribution	\$ 990,927	\$ 968,095	\$ 1,084,584	\$ 1,019,377	\$ 950,464	\$ 865,043	\$ 715,421	\$ 752,769	\$ 598,906
Contributions in relation to the contractually required contribution	<u>(990,927)</u>	<u>(968,095)</u>	<u>(1,084,584)</u>	<u>(1,019,377)</u>	<u>(950,464)</u>	<u>(865,043)</u>	<u>(715,421)</u>	<u>(752,769)</u>	<u>(598,906)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unit's covered payroll	\$ 25,805,464	\$ 25,210,795	\$ 24,464,991	\$ 23,426,150	\$ 22,791,524	\$ 20,711,185	\$ 19,983,056	\$ 20,960,456	\$ 20,319,395
Contributions as a percentage of covered payroll	3.84%	3.84%	4.43%	4.35%	4.17%	4.18%	3.58%	3.59%	2.95%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

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

	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>						
Proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the District	625,010	302,670	613,094	568,011	542,046	476,648
Total	<u>\$ 625,010</u>	<u>\$ 302,670</u>	<u>\$ 613,094</u>	<u>\$ 568,011</u>	<u>\$ 542,046</u>	<u>\$ 476,648</u>
Covered payroll	\$ 25,210,795	\$ 24,464,991	\$ 23,426,150	\$ 22,791,524	\$ 20,711,185	\$ 19,983,056
Proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	62.90%	55.40%	49.51%	49.22%	48.04%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

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

	2023	2022	2021	2020	2019	2018
<u>SET Life Insurance:</u>						
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 25,805,464	\$ 25,210,795	\$ 24,464,991	\$ 23,426,150	\$ 22,791,524	\$ 20,711,185
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF CHANGES IN NET OPEB LIABILITY - MEABT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2021 (Reporting June 30, 2022)	\$ 8,998,878	\$ -	\$ 8,998,878
Changes for the year:			
Service cost	171,576	-	171,576
Interest	195,913	-	195,913
Changes of benefits	-	-	-
Differences between expected and actual experience	(26,882)	-	(26,882)
Changes of assumptions	591,775	-	591,775
Contributions - employer	-	201,872	(201,872)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(201,872)	(201,872)	-
Administrative expense	-	-	-
Net changes	<u>730,510</u>	<u>-</u>	<u>730,510</u>
Balances at 6/30/22 (Reporting June 30, 2023)	<u>\$ 9,729,388</u>	<u>\$ -</u>	<u>\$ 9,729,388</u>

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
MEABT PLAN
JUNE 30, 2023

	2023	2022	2021	2020	2019
<u>Total OPEB liability</u>					
Service cost (BOY)	171,576	167,946	89,188	75,301	80,488
Interest (includes interest on service cost)	195,913	194,511	322,169	332,973	317,229
Changes of benefit terms	-	-	(810,958)	-	-
Differences between expected and actual experience	(26,882)	-	(968,760)	-	-
Changes of assumptions	591,775	71,936	1,119,377	481,106	(376,917)
Benefit payments, including refunds of member contributions	(201,872)	(137,192)	(327,160)	(277,764)	(268,164)
Net change in total OPEB liability	\$ 730,510	\$ 297,201	\$ (576,144)	\$ 611,616	\$ (247,364)
Total OPEB liability - beginning	\$ 8,998,878	\$ 8,701,677	\$ 9,277,821	\$ 8,666,205	\$ 8,913,569
Total OPEB liability - ending	\$ 9,729,388	\$ 8,998,878	\$ 8,701,677	\$ 9,277,821	\$ 8,666,205
<u>Plan fiduciary net position</u>					
Contributions - employer	201,872	137,192	327,160	277,764	268,164
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(201,872)	(137,192)	(327,160)	(277,764)	(268,164)
Administrative expense	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 9,729,388	\$ 8,998,878	\$ 8,701,677	\$ 9,277,821	\$ 8,666,205
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 21,719,223	\$ 22,089,043	\$ 21,550,286	\$ 23,519,692	\$ 22,890,211
Net OPEB liability as a percentage of covered payroll	44.8%	40.7%	40.4%	39.4%	37.9%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF CONTRIBUTIONS - OPEB - MEABT PLAN
JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>MEABT:</u>					
Employer contributions	\$ 201,872	\$ 137,192	\$ 327,160	\$ 277,764	\$ 268,164
Benefit payments	<u>(201,872)</u>	<u>(137,192)</u>	<u>(327,160)</u>	<u>(277,764)</u>	<u>(268,164)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,719,223	\$ 22,089,043	\$ 21,550,286	\$ 23,519,692	\$ 22,890,211
Contributions as a percentage of covered payroll	0.93%	0.62%	1.52%	1.18%	1.17%

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

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions

MEPERS SET Pension Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEPERS SET OPEB Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MEABT Health Plan:

There was a change in the discount rate from 2.16% to 3.54% per GASB 75 discount rate selection.

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

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

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

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Regular elementary instruction				
Salaries / professionals	\$ 14,356,222	\$ 14,356,222	\$ 13,603,124	\$ 753,098
Salaries / ed techs	664,314	664,314	671,867	(7,553)
Salaries / tutors	-	-	416	(416)
Salaries / substitutes	347,000	347,000	227,814	119,186
Stipends / teacher leaders	127,469	127,469	125,485	1,984
Salaries / PreK	101,552	101,552	93,447	8,105
Benefits and taxes	4,685,179	4,685,179	4,633,860	51,319
Purchased services	116,092	116,092	85,843	30,249
General supplies	499,217	499,217	460,378	38,839
Textbooks	143,837	143,837	126,104	17,733
Observation	9,150	9,150	8,902	248
Tech related supplies	29,404	29,404	23,644	5,760
Travel	26,065	26,065	11,971	14,094
Photocopier supplies	57,100	57,100	44,712	12,388
Equipment / equipment lease	388,094	388,094	497,995	(109,901)
Contingency	350,000	350,000	-	350,000
Other	88,419	88,419	87,605	814
Total	21,989,114	21,989,114	20,703,167	1,285,947
Special education				
Salaries / professional	4,796,721	4,796,721	4,280,111	516,610
Salaries / ed techs	1,966,065	1,966,065	2,155,506	(189,441)
Salaries / administrators	266,441	266,441	276,555	(10,114)
Salaries / other	67,784	67,784	42,403	25,381
Benefits and taxes	1,950,257	1,950,257	1,913,964	36,293
Purchased services	30,000	30,000	21,763	8,237
Contracted services	266,049	266,049	172,427	93,622
General supplies	60,800	60,800	57,495	3,305
Vocational / other tuition	261,000	261,000	134,795	126,205
Legal fees	20,000	20,000	2,267	17,733
Travel	10,500	10,500	3,803	6,697
Other	17,053	17,053	9,671	7,382
Total	9,712,670	9,712,670	9,070,760	641,910
Career and technical	10,000	10,000	-	10,000

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Other instruction				
Salaries / professional	161,536	161,536	155,994	5,542
Stipends / athletics	295,173	295,173	263,504	31,669
Stipends / officials	234,656	234,656	285,357	(50,701)
Benefit and taxes	73,728	73,728	93,245	(19,517)
Purchased services	70,182	70,182	32,302	37,880
Supplies	80,512	80,512	70,413	10,099
Field trips	65,700	65,700	72,083	(6,383)
Dues and memberships	20,472	20,472	19,256	1,216
Travel	-	-	662	(662)
Other	500	500	-	500
Total	1,002,459	1,002,459	992,816	9,643
Student and staff support				
Salaries / professionals	3,073,290	3,059,279	2,535,431	523,848
Salaries / department managers	105,760	105,760	102,029	3,731
Salaries / clerical and custodial	143,347	143,347	127,202	16,145
Stipends / athletics and others	89,219	89,219	70,017	19,202
Benefits and taxes	999,007	999,007	926,246	72,761
Purchased services	125,671	125,671	101,804	23,867
Textbooks	206,252	206,252	197,576	8,676
Computer software	-	-	12,744	(12,744)
Leases	267,870	-	-	-
Maintenance	239,800	239,800	228,399	11,401
Travel	9,104	9,104	5,771	3,333
Tech related hardware	31,875	31,875	79,031	(47,156)
Supplies	62,245	62,245	68,057	(5,812)
Equipment	189,528	-	-	-
Other costs	27,960	27,960	22,753	5,207
Total	5,570,928	5,099,519	4,477,060	622,459

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
System administration				
Salaries	969,739	969,739	868,972	100,767
Benefits and taxes	300,319	300,319	344,773	(44,454)
Legal and other professional fees	125,821	125,821	99,266	26,555
Software / lease	82,000	82,000	65,506	16,494
Other purchased services	14,628	14,628	22,712	(8,084)
Supplies	21,106	21,106	18,486	2,620
Advertising and postage	5,900	5,900	3,930	1,970
Other costs	69,045	69,045	46,940	22,105
Total	<u>1,588,558</u>	<u>1,588,558</u>	<u>1,470,585</u>	<u>117,973</u>
School administration				
Salaries	2,168,702	2,168,702	1,762,491	406,211
Benefits and taxes	531,501	531,501	543,861	(12,360)
Postage	10,650	10,650	7,116	3,534
Travel	7,419	7,419	2,668	4,751
Supplies	51,544	51,544	37,767	13,777
Contracted services	31,726	31,726	10,755	20,971
Other costs	14,403	14,403	12,735	1,668
Total	<u>2,815,945</u>	<u>2,815,945</u>	<u>2,377,393</u>	<u>438,552</u>
Transportation				
Salaries and wages	1,954,590	1,954,590	1,978,821	(24,231)
Taxes and benefits	789,057	789,057	752,245	36,812
Fuel - gasoline, propane, diesel	332,000	332,000	313,516	18,484
Repairs / maintenance	108,000	108,000	73,460	34,540
Purchased services	113,181	113,181	89,913	23,268
Lease	391,235	391,235	401,070	(9,835)
Vehicle supplies / software	39,719	39,719	33,479	6,240
Other expenditures	138,300	138,300	122,763	15,537
Total	<u>3,866,082</u>	<u>3,866,082</u>	<u>3,765,267</u>	<u>100,815</u>

SCHEDULE A (CONTINUED)
REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual Expenditures	Variance Positive (Negative)
Operations and maintenance				
Salaries and wages	2,296,870	2,195,530	2,195,530.00	-
Taxes and benefits	955,421	904,050	904,050	-
Electricity	607,600	507,363	507,363	-
Heating oil / propane	726,600	792,683	792,683	-
Rubbish / snowplow / other	231,254	217,129	217,129	-
Special projects / repairs	837,000	711,473	711,473	-
Insurance	263,520	230,562	230,562	-
Telephone	135,900	165,416	165,416	-
Supplies	414,164	412,110	412,110	-
Contracted / purchased services	611,341	510,007	510,007	-
Travel	438	438	438	-
Lease	590,277	589,598	589,598	-
Equipment	16,608	16,608	16,608	-
Water / sewer	70,613	51,661	51,661	-
Other	401,835	73,383	73,383	-
Total	<u>8,159,441</u>	<u>7,378,011</u>	<u>7,378,011</u>	<u>-</u>
Transfers to other funds	<u>-</u>	<u>1,252,839</u>	<u>1,252,839</u>	<u>-</u>
Debt service				
Principal	1,366,932	1,366,932	1,366,932	-
Interest	<u>436,758</u>	<u>436,758</u>	<u>436,758</u>	<u>-</u>
Total	<u>1,803,690</u>	<u>1,803,690</u>	<u>1,803,690</u>	<u>-</u>
Other				
Community relations	<u>16,900</u>	<u>16,900</u>	<u>14,125</u>	<u>2,775</u>
Total	<u>16,900</u>	<u>16,900</u>	<u>14,125</u>	<u>2,775</u>
Total Departmental Operations	<u>\$ 56,535,787</u>	<u>\$ 56,535,787</u>	<u>\$ 53,305,713</u>	<u>\$ 3,230,074</u>

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 321,575	\$ -	\$ 80,979	\$ 402,554
Accounts receivable (net of allowance for uncollectibles)	35	-	-	35
Due from other governments	389,551	-	-	389,551
Due from other funds	991,991	13,283	-	1,005,274
TOTAL ASSETS	\$ 1,703,152	\$ 13,283	\$ 80,979	\$ 1,797,414
LIABILITIES				
Accounts payable	\$ 40,773	\$ -	\$ -	\$ 40,773
Accrued payroll	7,839	-	-	7,839
Due to other funds	382,316	13,283	2,549	398,148
TOTAL LIABILITIES	430,928	13,283	2,549	446,760
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	343,183	-	78,430	421,613
Committed	-	-	-	-
Assigned	930,424	-	-	930,424
Unassigned	(1,383)	-	-	(1,383)
TOTAL FUND BALANCES (DEFICITS)	1,272,224	-	78,430	1,350,654
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,703,152	\$ 13,283	\$ 80,979	\$ 1,797,414

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Support from towns	\$ 183,915	\$ -	\$ -	\$ 183,915
Intergovernmental revenue	1,597,373	-	-	1,597,373
Charges for services	57,330	-	-	57,330
Other	661,458	-	13,000	674,458
TOTAL REVENUES	<u>2,500,076</u>	<u>-</u>	<u>13,000</u>	<u>2,513,076</u>
EXPENDITURES				
Program expenses	<u>2,609,390</u>	<u>-</u>	<u>-</u>	<u>2,609,390</u>
TOTAL EXPENDITURES	<u>2,609,390</u>	<u>-</u>	<u>-</u>	<u>2,609,390</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(109,314)</u>	<u>-</u>	<u>13,000</u>	<u>(96,314)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	5,117	-	-	5,117
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>5,117</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(104,197)	-	13,000	(91,197)
FUND BALANCES (DEFICITS) - JULY 1	<u>1,376,421</u>	<u>-</u>	<u>65,430</u>	<u>1,441,851</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,272,224</u>	<u>\$ -</u>	<u>\$ 78,430</u>	<u>\$ 1,350,654</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

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

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Adult Education 1500	Small Local Grants 2000	Small Local Grants 2010	Gate Program 2020	HBE Summer Camp 2030	Laptop Protection 2040	Staff Develop 2050
ASSETS							
Cash and cash equivalents	\$ 31,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	35	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	215,261	1,065	12,495	104,217	-	551,884	17,810
TOTAL ASSETS	<u>\$ 246,695</u>	<u>\$ 1,065</u>	<u>\$ 12,495</u>	<u>\$ 104,217</u>	<u>\$ -</u>	<u>\$ 551,884</u>	<u>\$ 17,810</u>
LIABILITIES							
Accounts payable	\$ 48	\$ -	\$ 1,971	\$ 35,547	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>48</u>	<u>-</u>	<u>1,971</u>	<u>35,547</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	246,647	1,065	10,524	68,670	-	551,884	17,810
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>246,647</u>	<u>1,065</u>	<u>10,524</u>	<u>68,670</u>	<u>-</u>	<u>551,884</u>	<u>17,810</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 246,695</u>	<u>\$ 1,065</u>	<u>\$ 12,495</u>	<u>\$ 104,217</u>	<u>\$ -</u>	<u>\$ 551,884</u>	<u>\$ 17,810</u>

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Summer Camps 2060	Wilkinson Foundation 2090	Food Serv Grants 2110	Nat Board Cert Schol 2209	AEFLA Grant 2215	PEPG 2233	MLTI 2237	State Transition 2290
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	1,834	2,628	3,922	-	4,026	1,905	-	-
TOTAL ASSETS	\$ 1,834	\$ 2,628	\$ 3,922	\$ -	\$ 4,026	\$ 1,905	\$ -	\$ -
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	2,628	3,922	-	4,026	1,905	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	1,834	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,834	2,628	3,922	-	4,026	1,905	-	-
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,834	\$ 2,628	\$ 3,922	\$ -	\$ 4,026	\$ 1,905	\$ -	\$ -

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Title I 2300	Title IA Prog Improv 2310	Title ID 2340	FEDES 2248	ARP LE 2480	ARP LE PRE-K 2515	Title IIA 2700	E-Rate 2830
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-
Due from other governments	147,025	29,792	1,500	67,619	30,442	-	61,848	-
Due from other funds	-	-	-	-	-	-	-	42,894
TOTAL ASSETS	<u>\$ 147,025</u>	<u>\$ 29,792</u>	<u>\$ 1,500</u>	<u>\$ 67,619</u>	<u>\$ 30,442</u>	<u>\$ -</u>	<u>\$ 61,848</u>	<u>\$ 42,894</u>
LIABILITIES								
Accounts payable	\$ -	\$ 965	\$ -	\$ 1,922	\$ -	\$ -	\$ 260	\$ -
Accrued payroll	-	-	-	-	-	-	-	-
Due to other funds	147,025	28,020	1,500	65,697	30,442	-	61,588	-
TOTAL LIABILITIES	<u>147,025</u>	<u>28,985</u>	<u>1,500</u>	<u>67,619</u>	<u>30,442</u>	<u>-</u>	<u>61,848</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	807	-	-	-	-	-	42,894
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,894</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 147,025</u>	<u>\$ 29,792</u>	<u>\$ 1,500</u>	<u>\$ 67,619</u>	<u>\$ 30,442</u>	<u>\$ -</u>	<u>\$ 61,848</u>	<u>\$ 42,894</u>

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	LMS 2617	Efficiency Grant 2199	Adult Basic Educ 2950	Adult Ed Enrichment 6150	ARP Homeless 2618	IDEA Preschool 2510	RREV Grant 2616	Student Activities 8100	Total
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,176	\$ 321,575
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	35
Due from other governments	-	-	-	-	8,414	11,572	31,339	-	389,551
Due from other funds	-	-	-	32,050	-	-	-	-	991,991
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 32,050	\$ 8,414	\$ 11,572	\$ 31,339	\$ 290,176	\$ 1,703,152
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 40,773
Accrued payroll	-	-	-	-	-	-	7,839	-	7,839
Due to other funds	-	-	1,383	-	8,414	11,572	23,500	3,175	382,316
TOTAL LIABILITIES	-	-	1,383	60	8,414	11,572	31,339	3,175	430,928
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	287,001	343,183
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	31,990	-	-	-	-	930,424
Unassigned	-	-	(1,383)	-	-	-	-	-	(1,383)
TOTAL FUND BALANCES (DEFICITS)	-	-	(1,383)	31,990	-	-	-	287,001	1,272,224
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ 32,050	\$ 8,414	\$ 11,572	\$ 31,339	\$ 290,176	\$ 1,703,152

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Adult Education 1500	Small Local Grants 2000	Small Local Grants 2010	Gate Program 2020	HBE Summer Camp 2030	Laptop Protection 2040	Staff Develop 2050
REVENUES							
Support from towns	\$ 183,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	59,599	-	700	-	-	-	-
Charges for services	29,306	-	-	20,024	8,000	-	-
Other	-	-	4,150	-	-	206,153	15,807
TOTAL REVENUES	<u>272,820</u>	<u>-</u>	<u>4,850</u>	<u>20,024</u>	<u>8,000</u>	<u>206,153</u>	<u>15,807</u>
EXPENDITURES							
Program expenses	<u>278,413</u>	<u>-</u>	<u>5,541</u>	<u>35,547</u>	<u>13,117</u>	<u>182,597</u>	<u>-</u>
TOTAL EXPENDITURES	<u>278,413</u>	<u>-</u>	<u>5,541</u>	<u>35,547</u>	<u>13,117</u>	<u>182,597</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,593)</u>	<u>-</u>	<u>(691)</u>	<u>(15,523)</u>	<u>(5,117)</u>	<u>23,556</u>	<u>15,807</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	5,117	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,117</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	<u>(5,593)</u>	<u>-</u>	<u>(691)</u>	<u>(15,523)</u>	<u>-</u>	<u>23,556</u>	<u>15,807</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>252,240</u>	<u>1,065</u>	<u>11,215</u>	<u>84,193</u>	<u>-</u>	<u>528,328</u>	<u>2,003</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 246,647</u>	<u>\$ 1,065</u>	<u>\$ 10,524</u>	<u>\$ 68,670</u>	<u>\$ -</u>	<u>\$ 551,884</u>	<u>\$ 17,810</u>

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Summer Camps 2060	Wilkinson Foundation 2090	Food Serv Grants 2110	Nat Board Cert Schol 2209	AEFLA Grant 2215	PEPG 2233	MLTI 2237	State Transition 2290
REVENUES								
Support from towns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	6,453	-	2,193	-	282,285	-
Charges for services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	6,453	-	2,193	-	282,285	-
EXPENDITURES								
Program expenses	-	-	5,195	-	1,999	-	282,285	-
TOTAL EXPENDITURES	-	-	5,195	-	1,999	-	282,285	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1,258	-	194	-	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	1,258	-	194	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	1,834	2,628	2,664	-	3,832	1,905	-	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,834	\$ 2,628	\$ 3,922	\$ -	\$ 4,026	\$ 1,905	\$ -	\$ -

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Title I 2300	Title IA Prog Improv 2310	Title ID 2340	FEDES 2248	ARP LE 2480	ARP LE PRE-K 2515	Title IIA 2700	E-Rate 2830
REVENUES								
Support from towns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	692,449	40,777	6,000	171,681	72,016	8,717	154,036	-
Charges for services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	692,449	40,777	6,000	171,681	72,016	8,717	154,036	-
EXPENDITURES								
Program expenses	692,449	39,970	6,000	171,681	72,016	8,717	135,162	110,018
TOTAL EXPENDITURES	692,449	39,970	6,000	171,681	72,016	8,717	135,162	110,018
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	807	-	-	-	-	18,874	(110,018)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	807	-	-	-	-	18,874	(110,018)
FUND BALANCES (DEFICITS) - JULY 1	-	-	-	-	-	-	(18,874)	152,912
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,894

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	LMS 2617	Efficiency Grant 2199	Adult Basic Educ 2950	Adult Ed Enrichment 6150	ARP Homeless 2618	IDEA Preschool 2618	RREV Grant 2616	Student Activities 8100	Total
REVENUES									
Support from towns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,915
Intergovernmental revenue	15,648	-	3,430	-	20,530	16,014	44,845	-	1,597,373
Charges for services	-	-	-	-	-	-	-	-	57,330
Other	-	-	-	24,180	-	-	-	411,168	661,458
TOTAL REVENUES	15,648	-	3,430	24,180	20,530	16,014	44,845	411,168	2,500,076
EXPENDITURES									
Program expenses	15,648	30,670	3,194	15,541	20,530	16,014	44,845	422,241	2,609,390
TOTAL EXPENDITURES	15,648	30,670	3,194	15,541	20,530	16,014	44,845	422,241	2,609,390
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(30,670)	236	8,639	-	-	-	(11,073)	(109,314)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	5,117
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	5,117
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(30,670)	236	8,639	-	-	-	(11,073)	(104,197)
FUND BALANCES (DEFICITS) - JULY 1	-	30,670	(1,619)	23,351	-	-	-	298,074	1,376,421
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ (1,383)	\$ 31,990	\$ -	\$ -	\$ -	\$ 287,001	\$ 1,272,224

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Funds

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

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Science Lab Fund	Total
ASSETS		
Due from other funds	\$ 13,283	\$ 13,283
TOTAL ASSETS	<u>\$ 13,283</u>	<u>\$ 13,283</u>
LIABILITIES		
Due to other funds	\$ 13,283	\$ 13,283
TOTAL LIABILITIES	<u>13,283</u>	<u>13,283</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,283</u>	<u>\$ 13,283</u>

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Science Lab Fund	Total
REVENUES		
Intergovernmental revenues	\$ -	\$ -
TOTAL REVENUES	-	-
EXPENDITURES		
Program expenses	-	-
TOTAL EXPENDITURES	-	-
NET CHANGE IN FUND BALANCES	-	-
FUND BALANCES - JULY 1	-	-
FUND BALANCES - JUNE 30	\$ -	\$ -

See accompanying independent auditor's report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by Regional School Unit No. 6 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Unit or its citizenry. These funds have been established for various purposes including scholarships.

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2023

	Marian Gowen Fund	Hollis High School	Millicent Smith Fund	Travis Ritchie Memorial	Robert L. Hutchinson Memorial	Ken Willard Memorial	Gabrielle Irene Kennedy Memorial
ASSETS							
Cash and cash equivalents	\$ 6,769	\$ 1,693	\$ 441	\$ 9,920	\$ 1,176	\$ 349	\$ 535
TOTAL ASSETS	<u>\$ 6,769</u>	<u>\$ 1,693</u>	<u>\$ 441</u>	<u>\$ 9,920</u>	<u>\$ 1,176</u>	<u>\$ 349</u>	<u>\$ 535</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,769	1,693	441	9,920	1,176	349	535
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>6,769</u>	<u>1,693</u>	<u>441</u>	<u>9,920</u>	<u>1,176</u>	<u>349</u>	<u>535</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,769</u>	<u>\$ 1,693</u>	<u>\$ 441</u>	<u>\$ 9,920</u>	<u>\$ 1,176</u>	<u>\$ 349</u>	<u>\$ 535</u>

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2023

	Usher Goff/Towle Memorial	Scholarship Proper	Shawna Bailey Fund	BEMS Scholarship Savings	Partners Bank Scholarship	Frank Damon Jr. Memorial	Richard C. Randall Scholarship
ASSETS							
Cash and cash equivalents	\$ 4,156	\$ 5,202	\$ 968	\$ 9,045	\$ 5,919	\$ 692	\$ 547
TOTAL ASSETS	<u>\$ 4,156</u>	<u>\$ 5,202</u>	<u>\$ 968</u>	<u>\$ 9,045</u>	<u>\$ 5,919</u>	<u>\$ 692</u>	<u>\$ 547</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,156	5,202	968	9,045	5,919	692	547
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>4,156</u>	<u>5,202</u>	<u>968</u>	<u>9,045</u>	<u>5,919</u>	<u>692</u>	<u>547</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,156</u>	<u>\$ 5,202</u>	<u>\$ 968</u>	<u>\$ 9,045</u>	<u>\$ 5,919</u>	<u>\$ 692</u>	<u>\$ 547</u>

REGIONAL SCHOOL UNIT NO. 6

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2023

	BEHS Fund	Hollis Rescue	Brian Staples Memorial	Saco & Biddeford Savings Scholarship	Lori Cates Scholarship	Jeannette Chester and Barbara Dennett	Total
ASSETS							
Cash and cash equivalents	\$ 5,742	\$ 3,044	\$ 1,180	\$ 2,064	\$ 2,201	\$ 19,336	\$ 80,979
TOTAL ASSETS	\$ 5,742	\$ 3,044	\$ 1,180	\$ 2,064	\$ 2,201	\$ 19,336	\$ 80,979
LIABILITIES							
Due to other funds	\$ 2,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,549
TOTAL LIABILITIES	2,549	-	-	-	-	-	2,549
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	3,193	3,044	1,180	2,064	2,201	19,336	78,430
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	3,193	3,044	1,180	2,064	2,201	19,336	78,430
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,742	\$ 3,044	\$ 1,180	\$ 2,064	\$ 2,201	\$ 19,336	\$ 80,979

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Marian Gowen Fund	Hollis High School	Millicent Smith Fund	Travis Ritchie Memorial	Robert L. Hutchinson Memorial	Ken Willard Memorial	Gabrielle Irene Kennedy Memorial
REVENUES							
Other	\$ 261	\$ 1,693	\$ 23	\$ 380	\$ 50	\$ 19	\$ 26
TOTAL REVENUES	<u>261</u>	<u>1,693</u>	<u>23</u>	<u>380</u>	<u>50</u>	<u>19</u>	<u>26</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	261	1,693	23	380	50	19	26
FUND BALANCES - JULY 1	<u>6,508</u>	<u>-</u>	<u>418</u>	<u>9,540</u>	<u>1,126</u>	<u>330</u>	<u>509</u>
FUND BALANCES - JUNE 30	<u>\$ 6,769</u>	<u>\$ 1,693</u>	<u>\$ 441</u>	<u>\$ 9,920</u>	<u>\$ 1,176</u>	<u>\$ 349</u>	<u>\$ 535</u>

SCHEDULE I (CONTINUED)

REGIONAL SCHOOL UNIT NO. 6

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Usher Goff/Towle Memorial	Scholarship Proper	Shawna Bailey Fund	BEMS Scholarship Savings	Partners Bank Scholarship	Frank Damon Jr. Memorial	Richard C. Randall Scholarship
REVENUES							
Other	\$ 1,162	\$ 5,202	\$ 41	\$ 347	\$ 229	\$ 32	\$ 26
TOTAL REVENUES	<u>1,162</u>	<u>5,202</u>	<u>41</u>	<u>347</u>	<u>229</u>	<u>32</u>	<u>26</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,162	5,202	41	347	229	32	26
FUND BALANCES - JULY 1	<u>2,994</u>	<u>-</u>	<u>927</u>	<u>8,698</u>	<u>5,690</u>	<u>660</u>	<u>521</u>
FUND BALANCES - JUNE 30	<u>\$ 4,156</u>	<u>\$ 5,202</u>	<u>\$ 968</u>	<u>\$ 9,045</u>	<u>\$ 5,919</u>	<u>\$ 692</u>	<u>\$ 547</u>

SCHEDULE I (CONTINUED)**REGIONAL SCHOOL UNIT NO. 6**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	BEHS Fund	Hollis Rescue	Brian Staples Memorial	Saco & Biddeford Savings Scholarship	Lori Cates Scholarship	Jeannette Chester and Barbara Dennett	Total
REVENUES							
Other	\$ 222	\$ 837	\$ 174	\$ 1,062	\$ 480	\$ 734	\$ 13,000
TOTAL REVENUES	<u>222</u>	<u>837</u>	<u>174</u>	<u>1,062</u>	<u>480</u>	<u>734</u>	<u>13,000</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	222	837	174	1,062	480	734	13,000
FUND BALANCES - JULY 1	<u>2,971</u>	<u>2,207</u>	<u>1,006</u>	<u>1,002</u>	<u>1,721</u>	<u>18,602</u>	<u>65,430</u>
FUND BALANCES - JUNE 30	<u>\$ 3,193</u>	<u>\$ 3,044</u>	<u>\$ 1,180</u>	<u>\$ 2,064</u>	<u>\$ 2,201</u>	<u>\$ 19,336</u>	<u>\$ 78,430</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

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

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2023

	Land and Non-depreciable Assets	Buildings Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Bonny Eagle Middle School	\$ 516,800	\$ 13,386,635	\$ 1,218,210	\$ -	\$ 15,121,645
Bonny Eagle High School	218,261	22,732,608	1,322,095	-	24,272,964
Buxton Elementary School	424,951	25,371,542	1,607,187	-	27,403,680
Eliza Libby Elementary School	-	693,678	-	-	693,678
Edna Libby Elementary School	93,550	3,030,978	107,542	-	3,232,070
Frank Jewett Elementary School	166,300	2,794,805	58,582	-	3,019,687
George E. Jack Elementary School	83,617	2,332,436	54,726	-	2,470,779
H.B. Emery School	43,529	2,588,711	44,044	-	2,676,284
Hollis Consolidated Elementary School	328,100	4,949,480	153,615	-	5,431,195
Jack Memorial School	155,600	1,442,221	10,986	-	1,608,807
S.D. Hanson Elementary School	87,500	1,125,038	-	-	1,212,538
Steep Falls Elementary School	55,767	1,243,387	11,825	-	1,310,979
Central Office	124,000	480,201	13,199	-	617,400
District-wide	427,158	7,567,367	2,611,766	-	10,606,291
Bus Garage	38,000	192,869	6,149,282	-	6,380,151
Maintenance	1,150,518	5,241,957	987,040	22,905	7,402,420
Technology	194,747	-	2,198,210	-	2,392,957
Sewer	5,000	-	-	2,016,839	2,021,839
Total General Capital Assets	4,113,398	95,173,913	16,548,309	2,039,744	117,875,364
Less: Accumulated Depreciation	-	(66,835,960)	(10,132,303)	(1,145,924)	(78,114,187)
Net General Capital Assets	\$ 4,113,398	\$ 28,337,953	\$ 6,416,006	\$ 893,820	\$ 39,761,177

See accompanying independent auditor's report and notes to financial statements.

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Assets 7/1/22	Additions	Deletions	Capital Assets 6/30/23
Bonny Eagle Middle School	\$ 15,066,682	\$ 54,963	\$ -	\$ 15,121,645
Bonny Eagle High School	26,428,357	71,155	(2,226,548)	24,272,964
Buxton Elementary School	27,381,550	22,130	-	27,403,680
Eliza Libby Elementary School	693,678	-	-	693,678
Edna Libby Elementary School	3,221,729	10,341	-	3,232,070
Frank Jewett Elementary School	3,019,687	-	-	3,019,687
George E. Jack Elementary School	2,470,779	-	-	2,470,779
H.B. Emery School	2,676,284	-	-	2,676,284
Hollis Consolidated Elementary School	5,055,097	376,098	-	5,431,195
Jack Memorial School	1,608,807	-	-	1,608,807
S.D. Hanson Elementary School	1,212,538	-	-	1,212,538
Steep Falls Elementary School	1,310,979	-	-	1,310,979
Central Office	595,700	21,700	-	617,400
District-wide	10,330,026	721,786	(445,521)	10,606,291
Bus Garage	7,124,310	813,000	(1,557,159)	6,380,151
Maintenance	6,332,062	1,229,034	(158,676)	7,402,420
Technology	2,411,102	414,736	(432,881)	2,392,957
Sewer	2,021,839	-	-	2,021,839
Total General Capital Assets	118,961,206	3,734,943	(4,820,785)	117,875,364
Less: Accumulated Depreciation	<u>(79,421,278)</u>	<u>(3,211,339)</u>	<u>4,518,430</u>	<u>(78,114,187)</u>
Net General Capital Assets	<u>\$ 39,539,928</u>	<u>\$ 523,604</u>	<u>\$ (302,355)</u>	<u>\$ 39,761,177</u>

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with Government Auditing Standards and/or the Uniform Guidance in accordance with 2 CRF § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance of Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Pass-through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
Passed-through State of Maine - Department of Education and Cultural Services:				
Child Nutrition Cluster:				
National School Lunch Program - USDA (CLOC)	10.555	N/A	\$ -	\$ 257,207
Summer Food Service Program for Children	10.559	013-06A-3016-13	-	2,040,917
Subtotal Child Nutrition Cluster			-	2,298,124
State Administrative Expenses for Child Nutrition	10.560	013-06A-6670-13	-	-
Total U.S. Department of Agriculture			-	2,298,124
U.S. Department of Education				
Passed-through Portland Public Schools				
Adult Education - Basic Grants to States	84.002	N/A	-	5,194
Passed-through State of Maine - Department of Education and Cultural Services:				
Title I Grants to Local Educational Agencies - Program Improvement	84.010A	013-06A-3106-13	-	739,227
Title I Grants to Local Educational Agencies	84.010A	013-06A-3107-13	-	-
Title I Grants to Local Educational Agencies - Title ID	84.010A		-	-
			-	739,227
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	013-06A-3046-12	-	654,980
Special Education Grants to States - ARP	84.027X	013-06A-7170-25	-	72,016
Special Education Preschool Grants	84.173	013-06A-6247-23	-	8,717
Special Education Preschool Grants - ARP	84.173X	013-06A-7171-25	-	16,014
Subtotal Special Education Cluster (IDEA)			-	751,727
Supporting Effective Instruction State Grants	84.367A	013-06A-3042-11	-	135,162
Education Stabilization Fund - GEER	84.425C	013-06A-7042-13	-	76,710
Education Stabilization Fund - ESSER II	84.425D	013-06A-7041-13	-	251,178
Education Stabilization Fund - ESSER III - ARP	84.425U	013-06A-7071-25	-	1,584,981
			-	1,912,869
Total U.S. Department of Education			-	3,544,179
TOTAL FEDERAL ASSISTANCE			\$ -	\$ 5,842,303

REGIONAL SCHOOL UNIT NO. 6

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Regional School Unit No. 6 under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Regional School Unit No. 6, it is not intended to and does not present the financial position, changes in net position or cash flows of the Regional School Unit No. 6.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Regional School Unit No. 6 has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



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

Board of Directors
Regional School Unit No. 6
Buxton, Maine

We have audited, in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 6 as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Regional School Unit No. 6's basic financial statements and have issued our report thereon dated December 26, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Regional School Unit No. 6's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 6's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 6's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of Regional School Unit No. 6 in a separate letter dated November 23, 2023.

Purpose of this Report

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

A handwritten signature in black ink that reads "RHR Smith & Company". The signature is written in a cursive, flowing style.

Buxton, Maine
December 26, 2023



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Regional School Unit No. 6
Buxton, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional School Unit No. 6's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Regional School Unit No. 6's major federal programs for the year ended June 30, 2023. Regional School Unit No. 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Regional School Unit No. 6's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of Regional School Unit No. 6 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Regional School Unit No. 6's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Regional School Unit No. 6's federal programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Regional School Unit No. 6's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Regional School Unit No. 6's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Regional School Unit No. 6's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Regional School Unit No. 6's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Regional School Unit No. 6's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

RHR Smith & Company

Buxton, Maine
December 26, 2023

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? ☒ yes ☐ no

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U	Elementary and Secondary School Emergency Relief Fund
84.027/84.173	Special Education Cluster

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II – Financial Statement Findings

None

REGIONAL SCHOOL UNIT NO. 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section III – Federal Awards Findings and Questioned Costs

MATERIAL WEAKNESSES

2023-001 – Special Tests and Provisions – Wage Rate Requirements

Federal Program Information:

Department of Education:

Passed through the State of Maine Department of Education:

ALN: - 84.425D/84.425U - Elementary and Secondary School Emergency
Relief Fund

Criteria: The following CFR(s) apply to this finding: 29 CFR 5.5.

Condition: During audit procedures, it was identified that the Unit had 1 construction project in excess of \$2,000. In Addendum No. 3 to the Drawings and Specifications, the General Clarifications include the statement, "This does not require weekly certified payroll submission. Monthly is adequate." This is in violation of 29 CFR 5.5.

Cause: The Unit did not verify that the addendum was following 29 CFR 5.5. The unit does not have the necessary internal controls over compliance.

Effect: Contracts are not executed in compliance with the requirement above.

Identification of Questioned Costs: None identified

Context: There was 1 prime contractor. In a review of the bid documentation for the project, it was determined that the contractor did not require weekly payroll certification. This was a statistically valid sample.

Repeat Finding: This is not a repeat finding.

Recommendation: It is recommended that the Unit implement internal control processes and procedures to ensure that they are following the criteria above. Management needs to ensure that all bids and contracts have the Davis-Bacon Act clause, and do not include language in conflict with the clause.

Views of Responsible Officials and Corrective Action Plan: Client agrees with finding, and the unabridged version of their response can be found in the Corrective Action Plan. Please see the Corrective Action Plan issued by the Regional School Unit 06.

State Compliance

State compliance includes financial information and reports that are presented for purposes of additional analysis as required by Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Independent Auditor's Report on State Requirements
- Reconciliation of Audit Adjustments to Annual Financial Data Submitted to the Maine Education Financial System



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON STATE REQUIREMENTS

Board of Directors
Regional School Unit No. 6
Buxton, Maine

We have audited the financial statements of Regional School Unit No. 6 for the year ended June 30, 2023 and have issued our report thereon dated December 26, 2023. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Regional School Unit No. 6's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, Regional School Unit No. 6 complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Regional School Unit No. 6 was in noncompliance with or in violation of, those provisions.

Management has determined that adjustments were necessary to the fiscal books of the Regional School Unit No. 6 and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the Maine Education Financial System maintained at the Maine Department of Education.

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

RHR Smith & Company

Buxton, Maine
December 26, 2023

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REGIONAL SCHOOL UNIT NO. 6

RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL
DATA SUBMITTED TO THE MAINE EDUCATION FINANCIAL SYSTEM
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund (1000)	Special Revenue Funds (2000) & (6000)	Capital Projects Funds (3000) & (4000)	Total
June 30 Balance per Maine Education Financial System	\$ 10,742,824	\$ 1,792,800	\$ 2,826,175	\$ 15,361,799
Revenue Adjustments:	-		-	-
		58,858		58,858
Expense Adjustments:	(1,439)	-	-	(1,439)
Other Adjustments:				
Erate (2830)	-	106,920	-	106,920
GSEA (6750)	-	177,704	-	177,704
Student Activities (8100)	-	78,430	-	78,430
Audited GAAP Basis Fund Balance June 30	<u>\$ 10,741,385</u>	<u>\$ 2,214,712</u>	<u>\$ 2,826,175</u>	<u>\$ 15,782,272</u>