

TOWN OF WEST BATH SCHOOL DEPARTMENT  
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 JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

Town of West Bath School Board  
West Bath School Department  
West Bath, Maine

We have audited the accompanying financial statements of the Town of West Bath School Department, a department of the Town of West Bath, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the school's basic financial statements, as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Town of West Bath School Department as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on Exhibit C and Schedule B-1 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Bath School Department's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section, 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 and the Reconciliation of Audit Adjustments to Maine Education Financial System is presented for purposes of additional analysis as required by Maine Department of Education, and is also not a required part of the basic financial statements.

The fund financial statements and the Schedule of Expenditures of Federal Awards and the Reconciliation of Audit Adjustments to Maine Education Financial System are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the fund financial statements and the Schedule of Expenditures of Federal Awards and the Reconciliation of Audit Adjustments to Maine Education Financial System are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Emphasis of Matter**

As discussed in Note A, the financial statements of the Town of West Bath School Department are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of governmental activities, the business-type activities, and each major fund of the Town of West Bath that is attributable to the transactions of the School Department. They do not purport to, and do not present fairly the financial position of the Town of West Bath as of June 30, 2018, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Bath, Maine

December 18, 2018

**WILLIAM H. BREWER**

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INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH STATE STATUTE REQUIREMENTS

Town of West Bath School Board  
West Bath School Department  
West Bath, Maine

We have audited the general purpose financial statements of the Town of West Bath School Department as of and for the years ended June 30, 2018 and 2017, and have issued our report thereon dated December 18, 2018.

The management of the Town of West Bath School Department is responsible for the School's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with laws and regulations, noncompliance with which could have a material effect on the financial statements of the Town of West Bath School Department.

Title 20-A Sec. 6051 requires certain written assurances with respect to school audits. Our audit of compliance with the laws and regulations consisted of, at a minimum, the following:

1. A determination of whether or not the School has complied with budget content requirements pursuant to section 15693, subsection 1 and cost center summary budget format requirement pursuant to sections 1305-C, 1485, 1701-C and 2307.
2. A determination of whether or not the School has exceeded its authority to expend funds.
3. A determination of whether or not the annual financial data submitted to the department is correct.
4. A determination of whether or not the School was in compliance with applicable provisions of the Essential Programs and Services Funding Act pursuant to chapter 606-B, §15671.

The results of our tests indicate that, for the items tested, the Town of West Bath School Department complied with those provisions of Maine laws and regulations. Nothing came to our attention that caused us to believe that, for the items not tested, the Town of West Bath School Department was not in compliance with Maine laws and regulations.

Bath, Maine

December 18, 2018

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BALANCE SHEETS - GOVERNMENTAL FUNDS  
JUNE 30, 2018 AND 2017

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DESIGNATED RESERVES	SCHOOL LUNCH	TOTALS (MEMORANDUM ONLY)	
						2018	2017
<b>ASSETS:</b>							
Cash	\$ 437,252.18	\$ -	\$ -	\$ -	\$ -	\$ 437,252.18	\$ 265,346.75
Equity in Town Treasurer's Cash	218,345.64			60,000.00		278,345.64	250,774.38
Due From Other Funds		8,267.70	8,219.36		12,961.00	29,448.06	99,550.95
Accounts Receivable	2,872.48	21,776.33			2,510.66	27,159.47	18,630.97
Inventory					1,677.09	1,677.09	2,422.64
Prepaid Expenses	25,600.00					25,600.00	36,830.00
<b>Total Assets</b>	<b>\$ 684,070.30</b>	<b>\$ 30,044.03</b>	<b>\$ 8,219.36</b>	<b>\$ 60,000.00</b>	<b>\$ 17,148.75</b>	<b>\$ 799,482.44</b>	<b>\$ 673,555.69</b>
<b>LIABILITIES AND FUND BALANCE:</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 35,847.52	\$ 1,775.00	\$ -	\$ -	\$ 2,038.67	\$ 39,661.19	\$ 8,902.03
Payroll Liabilities	3,482.07					3,482.07	2,016.87
Accrued Payroll	136,114.11					136,114.11	117,631.44
Due To Other Funds	9,446.73	20,001.33				29,448.06	99,550.95
<b>Total Liabilities</b>	<b>\$ 184,890.43</b>	<b>\$ 21,776.33</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,038.67</b>	<b>\$ 208,705.43</b>	<b>\$ 228,101.29</b>
<b>Fund Balance (Exhibit B):</b>							
Restricted	\$ -	\$ 8,267.70	\$ -	\$ -	\$ 1,677.09	\$ 9,944.79	\$ 10,690.34
Committed (Note G)			8,219.36	60,000.00		68,219.36	68,219.36
Assigned	288,445.30					288,445.30	346,244.34
Unassigned	210,734.57				13,432.99	224,167.56	20,300.36
<b>Total Fund Balance</b>	<b>\$ 499,179.87</b>	<b>\$ 8,267.70</b>	<b>\$ 8,219.36</b>	<b>\$ 60,000.00</b>	<b>\$ 15,110.08</b>	<b>\$ 590,777.01</b>	<b>\$ 445,454.40</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 684,070.30</b>	<b>\$ 30,044.03</b>	<b>\$ 8,219.36</b>	<b>\$ 60,000.00</b>	<b>\$ 17,148.75</b>	<b>\$ 799,482.44</b>	<b>\$ 673,555.69</b>

TOWN OF WEST BATH SCHOOL DEPARTMENT  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGE IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DESIGNATED RESERVES	TOTALS (MEMORANDUM ONLY)	
					2018	2017
<b>REVENUES:</b>						
Local Appropriation	\$ 3,098,611.00	\$ -	\$ -	\$ -	\$ 3,098,611.00	\$ 2,897,177.00
Intergovernmental Revenue	125,114.72				125,114.72	112,558.92
Federal and State Grants		98,178.63			98,178.63	133,949.65
Tuition - Individual Elementary	134,703.36				134,703.36	222,713.80
Maine State Retirement on Behalf Payments (Note D)	104,676.08				104,676.08	91,893.92
Interest Income	1,653.01				1,653.01	692.16
<b>Total Revenues</b>	<b>\$ 3,464,758.17</b>	<b>\$ 98,178.63</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,562,936.80</b>	<b>\$ 3,458,985.45</b>
<b>EXPENDITURES:</b>						
Regular Instruction	\$ 1,874,661.46	\$ -	\$ -	\$ -	\$ 1,874,661.46	\$ 1,873,099.93
Special Education Instruction	536,660.03				536,660.03	568,681.83
Other Instruction	4,225.25				4,225.25	3,668.72
Student and Staff Support	164,947.26				164,947.26	186,049.05
System Administration	76,638.56				76,638.56	74,163.68
School Administration	200,447.72				200,447.72	187,979.69
Transportation and Buses	129,642.01				129,642.01	130,287.62
Facilities Maintenance	188,369.57				188,369.57	201,057.19
Maine State Retirement on Behalf Payments (Note D)	104,676.08				104,676.08	91,893.92
Program Expenses		98,178.63			98,178.63	132,869.72
<b>Total Expenditures</b>	<b>\$ 3,280,267.94</b>	<b>\$ 98,178.63</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,378,446.57</b>	<b>\$ 3,449,751.35</b>
Excess of Revenues Over Expenditures	\$ 184,490.23	\$ -	\$ -	\$ -	\$ 184,490.23	\$ 9,234.10
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers - In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00
Operating Transfers - Out	(35,000.00)				(35,000.00)	(90,000.00)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (35,000.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (35,000.00)</b>	<b>\$ (30,000.00)</b>
Excess of Revenues and Other Sources Over (Under)						
Expenditures and Other Uses	\$ 149,490.23	\$ -	\$ -	\$ -	\$ 149,490.23	\$ (20,765.90)
Fund Balance, July 1	349,689.64	8,267.70	8,219.36	60,000.00	426,176.70	446,942.60
<b>Fund Balance, June 30</b>	<b>\$ 499,179.87</b>	<b>\$ 8,267.70</b>	<b>\$ 8,219.36</b>	<b>\$ 60,000.00</b>	<b>\$ 575,666.93</b>	<b>\$ 426,176.70</b>

TOWN OF WEST BATH SCHOOL DEPARTMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL FUND		
	ORIGINAL & FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
Local Appropriation	\$ 3,098,610.51	\$ 3,098,611.00	\$ 0.49
State Subsidy	125,114.72	125,114.72	
Maine State Retirement on Behalf Payments (Note D)		104,676.08	104,676.08
Interest		1,653.01	1,653.01
Tuition - Individual Elementary	113,993.40	134,703.36	20,709.96
<b>Total Revenues</b>	<b>\$ 3,337,718.63</b>	<b>\$ 3,464,758.17</b>	<b>\$ 127,039.54</b>
<b>EXPENDITURES:</b>			
Regular Instruction	\$ 2,134,134.55	\$ 1,874,661.46	\$ 259,473.09
Special Education Instruction	647,593.10	536,660.03	110,933.07
Other Instruction	4,500.00	4,225.25	274.75
Student and Staff Support	195,079.41	164,947.26	30,132.15
System Administration	93,613.26	76,638.56	16,974.70
School Administration	200,509.90	200,447.72	62.18
Transportation	165,034.75	129,642.01	35,392.74
Facilities Maintenance	208,498.00	188,369.57	20,128.43
Maine State Retirement on Behalf Payments (Note D)		104,676.08	(104,676.08)
<b>Total Expenditures</b>	<b>\$ 3,648,962.97</b>	<b>\$ 3,280,267.94</b>	<b>\$ 368,695.03</b>
Excess of Revenues Over (Under) Expenditures	\$ (311,244.34)	\$ 184,490.23	\$ 495,734.57
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers - Out	(35,000.00)	(35,000.00)	
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (346,244.34)	\$ 149,490.23	\$ 495,734.57
Fund Balance, July 1, 2017	346,244.34	349,689.64	3,445.30
Fund Balance, June 30, 2018	\$ -	\$ 499,179.87	\$ 499,179.87

TOWN OF WEST BATH SCHOOL DEPARTMENT  
STATEMENTS OF FIDUCIARY NET ASSETS  
JUNE 30, 2018 AND 2017

AGENCY

	2018	2017
ASSETS:		
Cash	\$ 7,602.38	\$ 2,416.46
Total Assets	\$ 7,602.38	\$ 2,416.46
LIABILITIES:		
Accounts Payable	\$ 7,602.38	\$ 2,416.46
Total Liabilities	\$ 7,602.38	\$ 2,416.46

## Exhibit E

STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND - SCHOOL NUTRITION PROGRAM  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
REVENUES:		
Daily Sales	\$ 22,594.13	\$ 24,564.91
School Nutrition Subsidy	29,489.61	25,495.74
Donated Commodities (Note H)	2,958.41	2,407.52
Total Revenues	\$ 55,042.15	\$ 52,468.17
EXPENDITURES:		
Salaries	\$ 35,504.38	\$ 35,647.81
Health Insurance	17,401.80	17,116.28
Benefits	3,942.95	3,757.78
Food (Note H)	34,054.11	31,073.16
Supplies	79.27	9,610.98
Account Writeoffs/Miscellaneous Fees	389.42	259.70
Kitchen Equipment Maintenance	2,837.84	590.34
Total Expenditures	\$ 94,209.77	\$ 98,056.05
Excess of Expenditures Over Revenues	\$ (39,167.62)	\$ (45,587.88)
Other Financing Sources:		
Transfers in from General Fund	35,000.00	30,000.00
Changes in Net Position	\$ (4,167.62)	\$ (15,587.88)
Net Position, July 1	19,277.70	34,865.58
Net Position, June 30	\$ 15,110.08	\$ 19,277.70



TOWN OF WEST BATH SCHOOL DEPARTMENT  
 STATEMENTS OF CASH FLOWS  
 PROPRIETARY FUND - SCHOOL NUTRITION PROGRAM  
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Users	\$ 22,594.13	\$ 24,564.91
Receipts from the State	32,395.84	20,078.85
Payments to Employees	(56,849.13)	(56,521.87)
Payments to Vendors	(37,101.08)	(39,755.07)
Funds held by Town of West Bath	38,960.24	51,633.18
	\$ -	\$ -
Net Cash Provided by Operating Activities		
	\$ -	\$ -
Increase in Cash		
Cash Balance, July 1	\$ -	\$ -
Cash Balance, June 30	\$ -	\$ -
 RECEIVED FROM THE DEPARTMENT OF AGRICULTURE	 \$ 2,958.41	 \$ 2,407.52

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of West Bath School Department conform to generally accepted accounting principles as applicable to governmental units.

1. Financial Reporting Entity

The Town of West Bath School Department operates as a department of the Town of West Bath, Maine, the basic financial statements of which have been issued in a separate report dated December 18, 2018, for the year ended June 30, 2018.

The accompanying financial statements present only the Town of West Bath School Department's operations and are not intended to present fairly the financial position and results of operations of the Town of West Bath, Maine in conformity with accounting principles generally accepted in the United States of America. Certain disclosures relevant to both the Town of West Bath and the Town of West Bath School Department are omitted herein and have been disclosed in the Town's basic financial statements.

MRSA Title 20-A Section 15003 requires the Town of West Bath School Department to report on a July 1 to June 30 fiscal year.

2. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. Basis of Presentation

The accounts of the Town of West Bath School Department are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The various funds are grouped by type in the financial statements.

Governmental Funds

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

**Special Revenue Fund** - Special revenue funds are used to account for the revenues derived from specific sources (i.e. federal and state grants) and to facilitate the management of financial resources internally "designated" for specific purposes.

**Capital Project Fund** - Capital project funds are used to fund major improvements to the school buildings.

**Designated Reserve** - Designated reserve funds are used to fund specific purposes approved by the townspeople of the Town of West Bath.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

3. Basis of Presentation (Cont'd)

Fiduciary Fund

Agency Funds - Agency funds are used to account for assets held by the Town of West Bath School Department in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Proprietary Fund

The Proprietary Fund is the fund used to account for all financial resources relating to the School Nutrition Program.

4. Basis of Accounting

The modified accrual basis of accounting is followed by the general, special revenue, designated reserve and capital projects funds. The modified accrual basis of accounting is defined as the basis of accounting under which expenditures are recorded as incurred and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

The proprietary fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

Agency funds do not involve measurement of results of operations.

5. Financial Statement Amounts

a. Cash and Cash Equivalents:

The School has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the Treasurer, as directed by the School Board, to invest all municipal funds, including reserve and trust funds, to the extent that the terms of the instrument, order, or article creating the fund do not prohibit the investment in financial institutions as described in Section 5706 MRSA and securities as described in Sections 5711 through 5717 MRSA.

b. Fund Balance:

In accordance with GASB Statement No. 54, the school employs terminology and classifications for fund balance items as follows:

Restricted fund balances are amounts that can be used only for specific purposes because of legislation or restrictions imposed by donors. The fund balance of the Special Revenue Fund is classified as restricted.

Committed fund balances are amounts that can be used only for specific purposes because of a formal action taken by town government. The fund balance in the Capital Projects Fund and Designated Reserve Fund are in this category.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

5. Financial Statement Amounts (Cont'd)

b. Fund Balance (Cont'd):

Assigned fund balances are resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance is all amounts in the General Fund that are not assigned to another category. Only the General Fund can have an unassigned fund balance.

6. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Receivables

Receivables include federal grants, state subsidies, town assessments, and reimbursements. Based on current year collections an allowance for doubtful accounts is not considered necessary at June 30, 2018.

8. Inventory

Inventory consists of school lunch food and is recorded at cost on the first-in, first-out basis.

9. Revenue Recognition

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

Nonexchange transactions, in which the School Unit receives value without directly giving equal value in return, include local assessments, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements including timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School Unit must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School Unit on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: local assessments available as an advance, interest, grants, and student fees.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

10. Interfund Transactions

During the course of normal operations, the School Department had several transactions between funds including expenditures and transfers of resources to provide services. These transactions are reported as transfers.

11. Implementation of New Accounting Standards

During the year ended June 30, 2018, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

- a. Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.
- b. Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has reviewed the impact of this Statement and has determined that the impact of this Statement is not material to the financial statements.
- c. Statement No. 77, "Tax Abatement Disclosures". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined the impact of this Statement is not material to the financial statements.
- d. Statement No. 80, "Blending Requirements for Certain Component Units". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

11. Implementation of New Accounting Standards (Cont'd)

- e. Statement No. 81, "Irrevocable Split-Interest Agreements". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements - in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.
  
- f. Statement No. 82, "Pension Issues". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has determined the impact of this Statement is not material to the financial statements.

12. Subsequent Events

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

NOTE B - CASH AND CASH EQUIVALENTS:

The Town of West Bath School Department's cash consists of deposits with financial institutions. Deposits are categorized as follows to give an indication of the level of risk assumed by the department at year-end: category one (1) includes deposits covered by federal depository insurance or by collateral held by the department or by the department's agent in the department's name; category two (2) includes uninsured deposits covered by collateral held by the pledging financial institution's trust department or agent in the department's name; category three (3) includes uninsured and uncollateralized deposits.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018

NOTE B - CASH AND CASH EQUIVALENTS (CONT'D):

At June 30, 2018, cash and cash equivalents consisted of:

	CARRYING AMOUNT	BANK BALANCE	CATEGORY		
			#1	#2	#3
Checking and Savings Accounts	\$ 444,854.86	\$ 527,183.73	\$ 527,148.11	\$	\$ 35.62

NOTE C - GENERAL FUND BUDGET:

The Town of West Bath School Department operates on a gross budget. All revenues are estimated. The unexpended balance is carried forward each year as required by MRSA Title 20-A, Section 15004.

At the annual town meeting, held in March of each year, the townspeople vote on various articles on which amounts for appropriation have been recommended by the school committee and/or the budget committee.

NOTE D - RETIREMENT PLAN:

Public school teachers contribute to the Maine Public Employees Retirement System (“System”), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for public school teachers, state employees (except as members of the judiciary and legislature who are covered under the Judicial and Legislative Retirement Systems) and political subdivisions. The System also provides retirement, death, disability, and health insurance benefits. These benefit provisions and all other requirements are established by state statute. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the teachers group. This report may be obtained by calling 1-800-451-9800.

Teachers are required to contribute 7.65% of their annual salary to the System. The Town of West Bath School Department paid an additional 3.97% of teachers’ payroll which is reflected in expenses on the Statement of Revenues and Expenditures. The only exception is the contribution required for federally funded teachers for which the Town of West Bath contributes 11.08% of their compensation and is charged to the grant. Current year expense for federally funded teachers totaled \$46,644.94. This cost amounted to \$5,448.14 for the year ended June 30, 2018. The State of Maine contributes the remaining amounts necessary to fund the System, using the actuarial basis specified by statute. The covered payroll for teachers is approximately \$991,375.00. As required by Accounting Standards, the amount paid on behalf of the School Department by the State of Maine has been recorded as revenue and an expenditure, which amounted to approximately \$104,676.00.

NOTE E - RISK MANAGEMENT:

The School Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All significant losses are covered by commercial insurance. There has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE F - EXPENDITURES IN EXCESS OF APPROPRIATION:

During the year expenditures exceeded total appropriations in the following general fund category:

FUNCTION	APPROPRIATION	EXPENDITURES	VARIANCE
Maine State Retirement on Behalf Payments	\$	\$ 104,676.08	\$ (104,676.08)

Maine State Retirement on Behalf Payments are not budgeted and are offset by a corresponding revenue account. Total budgetary authority was under-expended by \$473,371.11.

NOTE G - COMMITTED FUND BALANCE:

The Town of West Bath transferred money to the West Bath School Department for startup costs and repairs to the building and property. At June 30, 2018, a balance remained of \$8,219.36, which was classified as Committed Fund Balance on the School's balance sheet.

The Town of West Bath designated \$60,000.00 to be set aside for future special education expenses. At June 30, 2018 the balance was \$60,000.00, which was classified as Committed Fund Balance on the school's balance sheet.

NOTE H - DONATED COMMODITIES:

The School Lunch Fund received food with a value of \$2,958.41 from the U.S. Department of Agriculture during the year. These amounts are included in revenue and food expense on the financial statements. There were no donated commodities on hand at year end.

NOTE I - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

During the course of normal operations, the School Department had numerous transactions between funds including expenditures and transfers. Individual fund interfund receivables and payable balances and interfund transfers at June 30, 2018 arising from those transactions were as follows:

FUND	RECEIVABLES	PAYABLES	TRANSFERS
General	\$	\$ 9,446.73	\$ (35,000.00)
Special Revenue	8,267.70	20,001.33	
Capital Projects	8,219.36		
School Lunch	12,961.00		35,000.00
Total	<u>\$ 29,448.06</u>	<u>\$ 29,448.06</u>	<u>\$</u>



TOWN OF WEST BATH SCHOOL DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE J - TUITION CREDIT:

To the extent that any RSU 1 students choose to attend the Town of West Bath School Department as grandfathered students pursuant to Sections 3 (b)(ii) and/or 3 (c)(iv) of the Withdrawal Agreement, the Town of West Bath School Department shall not charge tuition for those students for the applicable school year, and RSU 1 shall give the Town of West Bath School Department a credit against the tuition for that year for West Bath students in grades K-12 attending RSU 1 schools. The amount of the credit shall be determined by multiplying the number of grandfathered RSU 1 students attending the Town of West Bath School Department each year by the Town of West Bath School Department elementary tuition rate for that year. Any unused credit may not be carried forward from one year to the next. In no event shall Town of West Bath School Department pay less tuition to RSU 1 than the amount required as the guaranteed floor. In the current year \$134,706.36 in tuition credit was used by RSU 1 for tuition costs.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
Balance, July 1, 2017	\$ 346,244.34	\$ -		\$ 349,689.64
REVENUES:				
Local Allocation	\$ 3,098,610.51	\$ 3,098,611.00		
State Subsidy	125,114.72	125,114.72		
Tuition - Individual Elementary	113,993.40	134,703.36		
Interest		1,653.01		
Total Revenues	<u>\$ 3,337,718.63</u>			<u>3,360,082.09</u>
Total Funds Available	<u>\$ 3,683,962.97</u>			<u>\$ 3,709,771.73</u>
EXPENDITURES:				
INSTRUCTION:				
ELEMENTARY:				
Salaries - Professional	\$ 578,530.40		\$ 564,362.00	
Salaries - Ed Techs	28,965.92		27,783.40	
Salaries - Substitutes	7,500.00		8,775.00	
Salaries - Long Term Substitutes	3,000.00			
Health Insurance - Professional	176,907.16		174,795.87	
Health Insurance - Ed Tech	20,271.48		18,298.11	
Social Security - Professional	7,596.64		7,770.91	
Social Security - Ed Techs	383.65		363.50	
Social Security - Substitutes	400.00		481.25	
Social Security - Long Term Subs	150.00			
Retirement - Professional	20,283.29		22,070.28	
Retirement - Ed Techs	928.55		1,103.03	
Retirement - Substitutes	177.00		167.55	
Retirement - Long Term Subs	166.35			
Unemployment - Professional	1,041.60		28.80	
Unemployment - Ed Techs	85.75			
Unemployment - Substitutes	53.00			
Unemployment - Long Term Subs	42.00			
Workers' Comp - Professional	2,995.08		3,011.17	
Workers' Comp - Ed Techs	145.52		132.12	
Workers' Comp - Substitutes	56.00			
Staff Development	2,000.00		880.68	
Tuition - Elementary - Public	455,604.96		439,104.63	
Tuition - Elementary - Private	28,475.31		10,496.31	
Supplies Instructional	26,382.96		26,685.22	
Instructional Equipment	11,969.71		12,528.70	
	<u>\$ 1,374,112.33</u>			\$ 1,318,838.53
PRE-K PROGRAM:				
Salaries - Stipends	\$ 800.00		\$ 450.00	
Pre-K Stipend			6.38	
Retirement - Stipends	22.04		17.85	
Unemployment - Stipends	5.60			
Workers' Comp - Stipends	3.84			
Professional Education Services	48,000.00		23,875.00	
Supplies - Ready, Set, Go	150.00		546.11	
	<u>\$ 48,981.48</u>			24,895.34

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
EXPENDITURES (CONT'D):				
INSTRUCTION (CONT'D):				
INSTRUCTION - SECONDARY:				
Tuition - Secondary - Public	\$ 649,242.00		\$ 470,676.58	
Tuition - Secondary - Private	19,674.00		11,539.70	
	<u>\$ 668,916.00</u>			\$ 482,216.28
RESOURCE CLASS PLACEMENT:				
Salaries - Professional	\$ 98,411.00		\$ 100,171.24	
Salaries - Ed Techs	72,651.38		61,040.44	
Salaries - Substitutes	3,000.00		4,425.18	
Salaries - Long Term Substitutes	3,000.00			
Health Insurance - Professional	29,450.28		28,500.67	
Health Insurance - Ed Techs	33,890.04		22,262.84	
Social Security - Professional	1,500.00		1,404.29	
Social Security - Ed Techs	800.00		854.08	
Social Security - Substitutes	73.00		338.53	
Social Security - Long Term Subs	87.00			
Retirement - Professional	3,063.15		3,991.56	
Retirement - Ed Techs	1,987.13		2,423.28	
Retirement - Ed Techs	133.00			
Retirement - Long Term Subs	165.31			
Unemployment - Professional	168.00			
Unemployment - Ed Techs	33.60			
Unemployment - Substitutes	35.00			
Unemployment - Long Term Subs	42.00			
Workers' Comp - Professional	600.00		536.66	
Workers' Comp - Ed Techs	275.00		305.68	
Workers' Comp - Substitutes	92.00			
Tuition - Elementary, Public	6,000.00		5,668.25	
Tuition - Secondary, Public	18,000.00		13,381.60	
Tuition - Elementary, Private	45,000.00		42,500.48	
Tuition - Secondary, Private	65,000.00		28,168.00	
	<u>\$ 383,456.89</u>			315,972.78
GIFTED AND TALENTED:				
Salaries - Professionals	\$ 25,933.00		\$ 29,718.07	
Health Insurance - Professionals	10,416.48		11,694.08	
Social Security - Professionals	200.00		349.92	
Retirement - Professionals	693.56		1,156.62	
Unemployment - Professionals	84.00			
Workers' Comp - Professionals	150.00		138.10	
Workers' Comp - Ed Techs	250.00			
Staff Development	300.00			
Contracted Fees	150.00			
Supplies - Instructional	647.70		1,005.52	
Dues/Fees	300.00			
	<u>\$ 39,124.74</u>			44,062.31
ELEMENTARY CO-CURRICULAR:				
Other Expenses	<u>\$ 4,500.00</u>			4,225.25

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
<b>EXPENDITURES (CONT'D):</b>				
<b>SOCIAL WORK:</b>				
<b>OTHER SPECIAL ED PROGRAMS:</b>				
Salaries - Professional	\$ 45,508.80		\$ 45,509.00	
Health Insurance - Professional	16,666.20		17,304.37	
Social Security - Professional	530.00		551.77	
Retirement - Professional	1,405.15		1,806.72	
Unemployment - Professional	33.60			
Workers' Comp - Professional	225.00		242.34	
	<u>\$ 64,368.75</u>			\$ 65,414.20
<b>HEALTH:</b>				
<b>OVERHEAD:</b>				
Salaries - Professional	\$ 7,696.40		\$ 6,280.50	
Social Security - Professional	100.00		91.08	
Retirement - Professional	286.37		242.61	
Unemployment - Professional	16.80			
Workers' Comp - Professional	50.00		33.78	
Staff Development	100.00			
Contracted Fees	300.00		300.00	
Repairs/Maintenance	80.00			
Insurance	100.00			
Travel	50.00			
Supplies - Non Instructional	461.98		250.55	
Non Instructional Equipment	200.00			
Dues/Fees	50.00			
	<u>\$ 9,491.55</u>			7,198.52
<b>IMPROVEMENT OF INSTRUCTION:</b>				
<b>OVERHEAD:</b>				
Stipends - Curriculum	\$ 9,275.00		\$ 7,556.25	
Social Security - Stipends	190.01		105.49	
Retirement - Stipends - Curriculum	432.22		297.73	
Unemployment - Stipends	42.00			
Staff Development	35,000.00		34,929.88	
Travel	5,000.00		4,160.90	
	<u>\$ 49,939.23</u>			47,050.25
<b>INSTRUCTIONAL STAFF TRAININGS:</b>				
<b>OVERHEAD:</b>				
Tuition Reimbursement - Professional	\$ 10,000.00		\$ 5,355.90	
Tuition Reimbursement - Ed Techs	2,000.00		2,230.36	
Tuition Reimbursement - Administrators	2,000.00			
	<u>\$ 14,000.00</u>			7,586.26
<b>LIBRARY:</b>				
<b>OVERHEAD:</b>				
Salaries - Professional	\$ 27,105.00		\$ 4,182.88	
Salaries - Substitutes	225.00		11,568.69	
Social Security - Professional	200.00		60.64	
Social Security - Substitutes/Tutors	3.00		873.55	
Retirement - Professional	418.87		140.56	
Retirement - Substitutes	6.24			
Unemployment - Substitutes/Tutors	2.00			
Workers' Comp - Professional	100.00		24.32	
Workers' Comp - Substitutes/Tutors	162.73			

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
EXPENDITURES (CONT'D):				
LIBRARY (CONT'D):				
OVERHEAD (CONT'D):				
Supplies - Instructional	\$ 200.62		\$ 70.60	
Books/Periodicals	4,000.00		2,526.74	
Supplies - Audiovisual	250.00			
Other Expenses	2,459.80		772.72	
	<u>\$ 35,133.26</u>			\$ 20,220.70
TECHNOLOGY:				
OVERHEAD:				
Salaries - Regular	\$ 40,560.00		\$ 40,560.00	
Salaries - Stipend	800.00		800.00	
Health Insurance - Regular	13,440.48		12,731.63	
Social Security - Stipends	25.00		86.77	
Social Security - Regular	1,500.00		2,880.92	
Retirement - Stipend	25.00		83.38	
Retirement - Regular	25.00			
Unemployment - Regular	84.00			
Worker's Comp - Stipend	25.00			
Worker's Comp - Regular	223.31			
Staff Development	1,000.00			
Internet Connectivity Fees	200.00		130.00	
Contracted Fees	3,500.00		85.42	
Computer Lease	5,973.59		5,483.67	
Travel	200.00		806.19	
Supplies - Non Instructional	2,069.00		2,330.00	
Supplies - Instructional	8,937.99		8,543.55	
	<u>\$ 78,588.37</u>			74,521.53
STUDENT ASSESSMENT:				
OVERHEAD:				
Salaries - Regular	\$ 6,240.00		\$ 6,240.00	
Social Security - Regular			443.00	
Supplies - Non Instructional	1,687.00		1,687.00	
	<u>\$ 7,927.00</u>			8,370.00
BOARD OF EDUCATION:				
OVERHEAD:				
Salaries - Stipends	\$ 1,500.00		\$ 1,425.00	
Social Security - Stipends	150.00		105.22	
Worker's Comp			7.55	
Contracted Legal Fees	20,000.00		11,042.80	
Auditor's	7,900.00		7,900.00	
Insurance	5,000.00			
Dues/Fees	898.00		897.00	
Other Expenses	500.00		673.00	
Referendum Expenses	600.00			
	<u>\$ 36,548.00</u>			22,050.57
OFFICE OF THE SUPERINTENDENT:				
OVERHEAD:				
Salaries - Administrators	\$ 23,339.80		\$ 23,339.94	
Social Security - Administrators	350.00		338.26	
Retirement - Administrators	831.76		904.50	
Staff Development	1,200.00		1,178.00	
Rent/Leases	1,556.36		1,556.36	

TOWN OF WEST BATH SCHOOL DEPARTMENT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
EXPENDITURES (CONT'D):				
OFFICE OF THE				
SUPERINTENDENT (CONT'D):				
OVERHEAD (CONT'D):				
Postage	\$ 700.00		\$ 1,126.55	
Printing	1,000.00		616.69	
Travel	500.00		280.72	
Supplies - Non Instructional	500.00		127.60	
Books/Periodicals	300.00		26.45	
Dues/Fees	1,500.00		146.76	
Other Expenses	300.00			
	<u>\$ 32,077.92</u>			\$ 29,641.83
SPECIAL SERVICES ADMINISTRATOR:				
SPECIAL ED ADMINISTRATION:				
Salaries - Administrators	\$ 36,818.00		\$ 31,153.70	
Salaries - Regular	2,136.96		140.00	
Health Insurance - Administrators			1,034.22	
Social Security	300.00		2,383.26	
Social Security - Regular	25.00		10.71	
Retirement - Administrators	112.50			
Retirement - Regular Employee	75.00			
Worker's Comp - Regular			164.73	
Special Ed Contracted Services	75,600.00		67,301.97	
Other Expenses	84,700.00		53,084.46	
	<u>\$ 199,767.46</u>			155,273.05
SCHOOL ADMINISTRATION:				
OVERHEAD:				
Salaries - Administrators	\$ 95,233.18		\$ 95,233.04	
Salaries - Regular	35,981.41		36,141.16	
Salaries - Non Instructional Sub	400.00			
Salaries - Stipends	500.00		500.00	
Health Insurance - Administrators	23,639.16		24,680.84	
Health Insurance - Regular	20,271.48		21,040.28	
Social Security - Stipends	38.25		38.25	
Social Security - Administrators	1,250.00		1,381.12	
Social Security - Non Instructional Sub	6.00			
Social Security - Regular	3,000.00		3,135.91	
Retirement - Administrators	3,047.36		3,691.52	
Retirement - Regular Employee	87.50			
Unemployment - Regular	84.00			
Workers' Comp - Administrators	450.00		511.27	
Workers' Comp - Regular	100.00			
Staff Development	1,000.00			
Rent/Leases	1,556.36		1,556.36	
Postage	500.00		488.27	
Telephone	1,200.00		965.74	
Printing	700.00		700.00	
Travel	500.00			
Supplies - Non Instructional	1,000.00		646.35	
Books/Periodicals	200.00		13.41	
Dues/Fees	550.00		509.00	
Other Expenses	9,215.20		9,215.20	
	<u>\$ 200,509.90</u>			200,447.72

TOWN OF WEST BATH SCHOOL DEPARTMENT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL &amp; FINAL BUDGET</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	
<b>EXPENDITURES (CONT'D):</b>				
<b>CENTRAL SERVICES:</b>				
<b>OVERHEAD:</b>				
Salaries - Managers	\$ 10,818.59		\$ 10,818.84	
Social Security - Managers	700.00		747.32	
Travel	100.00			
Supplies - Non Instructional	500.00		28.97	
Dues/Fees	100.00		121.03	
Other Expenses	12,768.75		13,230.00	
	<u>\$ 24,987.34</u>			\$ 24,946.16
<b>OPERATION/MAINTENANCE:</b>				
<b>OVERHEAD:</b>				
Utility Services	\$ 2,700.00		\$ 2,420.45	
Cleaning Services	62,000.00		61,440.00	
Repairs/Maintenance	98,798.00		89,317.53	
Insurance	3,000.00		2,342.00	
Supplies - Non Instructional	15,000.00		8,223.19	
Electricity	12,000.00		13,511.30	
Heating Oil	15,000.00		11,115.10	
	<u>\$ 208,498.00</u>			188,369.57
<b>STUDENT TRANSPORTATION:</b>				
<b>OVERHEAD:</b>				
Student Transportation Purchased	\$ 100,218.75		\$ 100,218.80	
Other Expenses	4,816.00		4,416.98	
	<u>\$ 105,034.75</u>			104,635.78
<b>INSTRUCTION - ELEMENTARY:</b>				
Co-Cur/Athletic/Instruction Field Trip	\$ 3,000.00			4,649.00
<b>STUDENT TRANSPORTATION - OUT OF DISTRICT:</b>				
<b>OVERHEAD:</b>				
Student Transportation Purchase Price	\$ 60,000.00			25,006.23
Total Expenditures	<u>\$ 3,648,962.97</u>		<u>\$ 3,175,591.86</u>	
Excess of Revenues Over Expenditures	\$ 35,000.00		\$ 534,179.87	
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers - Out	(35,000.00)			(35,000.00)
Fund Balance, June 30, 2018	<u>\$ -</u>		<u>\$ 499,179.87</u>	

TOWN OF WEST BATH SCHOOL DEPARTMENT  
 SCHEDULE OF ACTIVITY - FIDUCIARY FUND TYPE - AGENCY  
 STUDENT ACTIVITY FUND  
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE JULY 1, 2017	CASH RECEIPTS AND OTHER CREDITS	CASH DISBURSEMENTS AND OTHER DEBITS	BALANCE JUNE 30, 2018
Principal's Account	\$ 5,035.54	\$ 12,371.32	\$ (8,972.48)	\$ 8,434.38
Boston Fundraising - 6th Grade Trip	(906.98)	906.98	(832.00)	(832.00)
Outdoor Classroom	(1,712.10)	2,433.98	(721.88)	
	<u>\$ 2,416.46</u>	<u>\$ 15,712.28</u>	<u>\$ (10,526.36)</u>	<u>\$ 7,602.38</u>

Schedule B-3

RECONCILIATION OF THE AUDIT ADJUSTMENTS TO MAINE EDUCATION FINANCIAL SYSTEM  
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	UNDESIGNATED	SPECIAL REVENUE	LUNCH	DESIGNATED	DESIGNATED RESERVE	2018 TOTAL	2017 TOTAL
June 30 Balance as per Maine Education Financial System	\$(2,506,230.60)	\$ (11,680.99)	\$ 15,299.06	\$ 8,219.36	\$ -	\$(2,494,393.17)	\$ 3,148,056.51
Beginning Balance Adjustments	(60,000.00)	(6,414.44)			60,000.00	(6,414.44)	(2,665,364.16)
REVENUE ADJUSTMENTS:							
State Subsidy	125,114.72		(3,240.04)			121,874.68	5,416.89
Lunch Sales			5,835.28			5,835.28	3,665.31
Donated Commodities			2,958.41			2,958.41	2,407.52
Special Revenue		24,516.06				24,516.06	12,233.23
Interest Income	310.68					310.68	549.05
Reallocated Expense Reimbursement	(3,619.34)					(3,619.34)	
Local Allocation	3,098,611.00					3,098,611.00	
Transfer from Town			35,000.00			35,000.00	90,000.00
EXPENDITURE ADJUSTMENTS:							
Increase in Expenses	(120,003.52)	(1,775.34)	(40,742.63)			(162,521.49)	(61,509.95)
Reallocated Expense Reimbursement	3,619.34					3,619.34	
Transfer to Reserves							(60,000.00)
Transfer to Lunch	(35,000.00)					(35,000.00)	(30,000.00)
Client Posted Adjustment	(3,622.41)	3,622.41					
June 30 Audited GAAP Basis Fund Balance	<u>\$ 499,179.87</u>	<u>\$ 8,267.70</u>	<u>\$ 15,110.08</u>	<u>\$ 8,219.36</u>	<u>\$ 60,000.00</u>	<u>\$ 590,777.01</u>	<u>\$ 445,454.40</u>



TOWN OF WEST BATH SCHOOL DEPARTMENT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018 AND 2017

	<u>REVENUES</u> STATE AND FEDERAL GRANTS	<u>EXPENDITURES</u> PROGRAM EXPENDITURES	EXCESS OF REVENUES OVER EXPENDITURES	<u>FUND BALANCE</u>	
				JULY 1, 2017	JUNE 30, 2018
Federal Funds	\$ 98,178.63	\$ 98,178.63	\$ -	\$ -	\$ -
PEPG				3,309.49	3,309.49
Transition for Proficiency Based Education				4,958.21	4,958.21
	<u>\$ 98,178.63</u>	<u>\$ 98,178.63</u>	<u>\$ -</u>	<u>\$ 8,267.70</u>	<u>\$ 8,267.70</u>

TOWN OF WEST BATH SCHOOL DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR NUMBER	FUND BALANCE JULY 1, 2017	REVENUES	EXPENDITURES	FUND BALANCE JUNE 30, 2018
U.S. DEPARTMENT OF AGRICULTURE:						
Passed Through State Department of Education:						
Donated Commodities (Note 2)	10.550	N/A	\$ -	\$ 2,958.41	\$ 2,958.41	\$ -
National School Lunch	10.555	013.3024		22,513.80	22,513.80	
School Breakfast Program	10.553	013.3014		6,975.81	6,975.81	
Subtotal			<u>\$ -</u>	<u>\$ 32,448.02</u>	<u>\$ 32,448.02</u>	<u>\$ -</u>
U.S. DEPARTMENT OF EDUCATION:						
Passed Through State Department of Education:						
IDEA Special Education - Grants to State (IDEA Part B)	84.027	013.3046	\$ -	\$ 63,672.38	\$ 63,672.38	\$ -
NCLB Title IA - Basic Disadvantaged Program	84.010	013.3107		29,659.79	29,659.79	
NCLB Title II, Part A - Improving Teacher Quality State Grants	84.367	013.3042		4,656.82	4,656.82	
NCLB Title IV - Student Support and Academic Enrichment Program	84.424	013.3345		189.64	189.64	
Subtotal			<u>\$ -</u>	<u>\$ 98,178.63</u>	<u>\$ 98,178.63</u>	<u>\$ -</u>
Total			<u>\$ -</u>	<u>\$ 130,626.65</u>	<u>\$ 130,626.65</u>	<u>\$ -</u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Town of West Bath School Department's Schedule of Expenditures of Federal Awards conforms to generally accepted accounting principles as applicable to governmental units. The modified accrual basis of accounting is followed. This method of accounting is defined as the basis of accounting under which expenditures are recorded as incurred, and revenues are recorded when received in cash except for material and/or available revenues which are accrued to reflect properly the assessments levied and the revenues earned.

NOTE 2 - DONATED COMMODITIES:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities consumed.

TOWN OF WEST BATH SCHOOL DEPARTMENT  
 SCHEDULE OF CHANGES IN FUND BALANCE - DESIGNATED RESERVE  
 FOR THE YEAR ENDED JUNE 30, 2018

SPECIAL EDUCATION RESERVE:  
 Balance, June 30, 2018

\$ 60,000.00

Schedule B-7

SCHEDULES OF THE NUMBER AND PERCENTAGE  
 OF MEALS SERVED BY CATEGORY  
 FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018		2017	
	NUMBER	%	NUMBER	%
<b>BREAKFAST PROGRAM:</b>				
Children:				
Full Price	1,663	34.87%	1,805	44.44%
Reduced Price	719	15.08%	279	6.87%
Free	2,380	49.91%	1,935	47.64%
Total Children	<u>4,762</u>	<u>99.86%</u>	<u>4,019</u>	<u>98.95%</u>
Adults	7	0.14%	43	1.05%
Total Meals Served	<u>4,769</u>	<u>100.00%</u>	<u>4,062</u>	<u>100.00%</u>
<b>LUNCH PROGRAM:</b>				
Children:				
Full Price	6,821	52.39%	7,469	56.88%
Reduced Price	1,861	14.29%	1,138	8.67%
Free	4,202	32.28%	4,260	32.45%
Total Children	<u>12,884</u>	<u>98.96%</u>	<u>12,867</u>	<u>98.00%</u>
Adults	135	1.04%	264	2.00%
Total Meals Served	<u>13,019</u>	<u>100.00%</u>	<u>13,131</u>	<u>100.00%</u>