

## **Exhibit 6-A**

A list of bonds, notes and lease purchase agreements for which the RSU District WILL assume liability;

### **Falmouth**

See attached:

Notes to Financial Statements, June 30, 2007, pages 9-10.

Falmouth Document #6-A.1: Outstanding School Bond Issues, June 30, 20~~07~~08

Falmouth Document #6-A.2: Bus Lease/Purchase Schedule, *undated*

### **MSAD51**

See attached:

Notes to Basic Financial Statements, June 30, 2007, pages 27-30.

MSAD51 Document #6-A.1/6-B.1: Debt Service Schedule

MSAD51 Document #6-A.2: Computer Equipment Lease Purchase

MSAD51 Document #6-A.3: Bus and Lawn Tractor Lease/Purchase Agreement

MSAD51 Document #6-A.4: Drown Road Lease Purchase (357 Tuttle Road,  
Cumberland Center)

TOWN OF FALMOUTH SCHOOL DEPARTMENT  
Notes to Financial Statements, Continued

6A

LONG-TERM DEBT

Page 9

Changes in Long-term Liabilities

During the year ended June 30, 2007, the following changes occurred in liabilities reported in the Town's Statement of Net Assets:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007
General obligation debt	\$ 16,505,000	-	1,100,000	15,405,000
Obligation for compensated absences	751,579	34,474	-	786,053
Obligation for capital leases	180,143	-	52,929	127,214
<b>Totals</b>	<b>\$ 17,436,722</b>	<b>34,474</b>	<b>1,152,929</b>	<b>16,318,267</b>

LONG-TERM DEBT, CONTINUED

Page 10

General Obligation Bonds

The Falmouth School Department reimburses the Town of Falmouth for debt service on general obligation bonds of \$15,405,000 at June 30, 2007 related to the School Department. Outstanding bonds are as follows:

Description	Interest rates	Balance
School Athletic Facilities	7.125% - 7.700%	\$ 90,000
1999 High School Construction Bond	4.700% - 5.500%	2,600,000
2000 High School Construction Bond	4.850% - 5.375%	12,715,000
		<b>\$ 15,405,000</b>

Debt to maturity information is contained in the Town's financial statements.

FALMOUT  
Document 6-A.1

Outstanding school bond issues  
June 30, 2008

FISCAL YEAR ENDING	ATHLETIC FIELDS (0988)			LOCAL ONLY			TO RSU			TOTAL PRINCIPAL	TOTAL INTEREST
	PRINC.	INTL.	TOTAL	PRINC.	INTL.	TOTAL	PRINC.	INTL.	TOTAL		
2009	45,000	1,732	46,732	200,000	119,250	319,250	850,000	581,475	1,431,475	1,095,000	702,457
2010				200,000	109,700	309,700	850,000	540,250	1,390,250	1,050,000	649,950
2011				200,000	100,025	300,025	850,000	499,025	1,349,025	1,050,000	599,050
2012				200,000	90,150	290,150	850,000	457,800	1,307,800	1,050,000	547,950
2013				200,000	80,050	280,050	850,000	416,363	1,266,363	1,050,000	496,413
2014				200,000	69,750	269,750	850,000	374,287	1,224,287	1,050,000	444,037
2015				200,000	59,300	259,300	850,000	331,788	1,181,788	1,050,000	391,088
2016				200,000	48,750	248,750	845,000	288,990	1,133,990	1,045,000	337,740
2017				200,000	38,075	238,075	845,000	245,473	1,090,473	1,045,000	283,548
2018				200,000	27,300	227,300	845,000	201,532	1,046,532	1,045,000	228,832
2019				200,000	16,450	216,450	845,000	157,381	1,002,381	1,045,000	173,831
2020				200,000	5,500	205,500	845,000	68,128	958,019	1,045,000	118,519
2021							845,000	22,709	867,709	845,000	68,128
2022							11,865,000	4,298,220	16,163,220	14,310,000	5,064,252
	45,000	1,732	46,732	2,400,000	764,300	3,164,300					

[illegible][illegible]

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**Note 5 - CAPITAL ASSETS (Continued)**

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 578,390
Transportation	123,003
Instructions	37,700
Administration	<u>3,785</u>
Total Depreciation	<u>\$ 742,878</u>

Included in the capital assets above are capital assets that were obtained with capital leases. They are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Operations and maintenance	\$ 1,479,887	\$ 127,591
Transportation	442,068	140,613
Instructions	86,540	52,432
Administration	<u>9,995</u>	<u>7,996</u>
Total	<u>\$ 2,018,490</u>	<u>\$ 328,632</u>

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS**

**Long-Term Debt Obligations**

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2007:

	General Obligation Debt
Long-Term Debt Payable at June 30, 2006	\$ 24,420,000
Debt Issued	<u>9,680,000</u>
	34,100,000
Debt Retired	<u>(1,525,000)</u>
Long-Term Debt Payable at June 30, 2007	<u>\$ 32,575,000</u>
Amount Due within One Year	<u>\$ 1,999,000</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

**Long-Term Debt Obligations (Continued)**

General long-term debt consists of the following:

*U.S. Bank:*

Mabel I. Wilson School Renovation Bond, maturing 10/15/14, annual series payments are \$240,000 (2006), \$420,000 (2007), \$410,000 (2008), \$395,000 (2009), \$370,000 (2010 - 2011), \$350,000 (2012), \$340,000 (2013-2014), \$330,000 (2015). Variable interest rate from 2% to 3.5%; authorized and issued \$3,565,000. \$ 2,905,000

*U.S. Bank:*

Middle School Construction Bond, maturing 10/15/24, annual series payments are \$859,000 (2006), \$855,000 (2006-2014), \$850,000 (2015-2023), \$750,000 (2024). Variable interest rate from 2.5% to 4.625%; authorized and issued \$17,054,000. 15,240,000

*U.S. Bank:*

Greely Junior High School Renovation Bond, maturing 10/15/25, annual series payments are \$250,000 (2007-2026). Variable interest rate from 3.1% to 4.25%; authorized and issued \$5,000,000. 4,750,000

*U.S. Bank:*

Greely High School Addition Bond, maturing on 10/01/26, annual series payments are \$484,000 (2007-2026). Variable interest rate from 3.1% to 3.49%; authorized and issued \$9,680,000. 9,680,000

\$ 32,575,000

The annual requirement to amortize debt outstanding as of June 30, 2007 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,999,000	\$ 1,085,495	\$ 3,084,495
2009	1,984,000	1,106,628	3,090,628
2010	1,959,000	1,044,862	3,003,862
2011	1,959,000	983,407	2,942,407
2012	1,939,000	919,906	2,858,906
2013-2017	8,945,000	3,581,003	12,526,003
2018-2022	7,920,000	2,147,827	10,067,827
2023-2027	<u>5,870,000</u>	<u>500,435</u>	<u>6,370,435</u>
	<u>\$ 32,575,000</u>	<u>\$ 11,369,563</u>	<u>\$ 43,944,563</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

Interest expense was \$1,125,031 for the year.

Under a provision of state law, the State of Maine reimburses the District for a portion of the financing costs of various approved school construction projects. The District's State aid subsidy is dependent upon continued annual appropriation by the State legislature. Annual principal and interest payments of \$1,724,329 for the Mabel I. Wilson School Addition and Renovation Project were received for the year ended June 30, 2007.

**Results of Referendum Election**

Pursuant to a referendum election held on November 7, 2006, the School Directors of the District were authorized by the voters to issue bonds or notes for school construction purposes in an amount not to exceed \$9,680,000 (of which \$9,680,000 has been approved by the State Board of Education for inclusion in the District's debt service allocation for the purpose of calculating state subsidy). The proceeds (including investment earnings thereon) have been used to design, construct, and equip a new addition to the high school, and to finance other costs of the project.

**Capital Lease Obligations**

The District leases various equipment expiring in 2010 and leases Drowne School expiring in 2013. Annual payments are made in the amount of principal and interest due on the debt.

The following is a summary of capital lease transactions of the District for the year ended June 30, 2007:

	Building Lease	Equipment Leases	Total Capital Leases
Capital Leases Payable at June 30, 2006	\$ 1,006,823	\$ 30,163	\$ 1,036,986
Debt Issued	<u>0</u>	<u>315,895</u>	<u>315,895</u>
	1,006,823	346,058	1,352,881
Debt Retired	<u>(124,432)</u>	<u>(30,163)</u>	<u>(154,595)</u>
Capital Leases Payable at June 30, 2007	<u>\$ 882,391</u>	<u>\$ 315,895</u>	<u>\$ 1,198,286</u>
Amount Due within One Year	<u>\$ 132,215</u>	<u>\$ 101,764</u>	<u>\$ 233,979</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

Obligation under long-term capital leases consists of the following:

Gorham Savings Leasing Group, LLC

Fiscal Year 2007 two (2) School Bus and a tractor Leases, maturing 7/15/09, 5.1% interest rate, payable in installments of \$78,300 annually. \$ 214,479

Gorham Savings Leasing Group, LLC

Fiscal Year 2007 equipment lease, maturing 7/15/09, 5.1% interest rate, payable in installments of \$37,024 annually. 101,416

Fiscal Year 2003 Drowne School Lease, maturing 3/31/14, 6.08% interest rate, payable in installments of \$15,187 monthly. 882,391

\$ 1,198,286

The annual requirement to amortize capital lease obligations outstanding as of June 30, 2007, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 233,979	\$ 63,585	\$ 297,564
2009	244,888	52,676	297,564
2010	259,000	38,564	297,564
2011	158,609	23,631	182,240
2012	168,530	13,710	182,240
Thereafter	<u>133,280</u>	<u>3,401</u>	<u>136,681</u>
	<u>\$ 1,198,286</u>	<u>\$ 195,567</u>	<u>\$ 1,393,853</u>

**Note 7 - OPERATING LEASES**

The District leases portable classrooms from Schiavi Leasing Company. The minimal lease payments accounted for as operating leases at June 30, 2007, are as follows:

<u>Year</u>	<u>Minimum Lease Payment Remaining</u>
2008	\$ 129,324
2009	25,682
2010	16,260
2011	<u>1,355</u>
	<u>\$ 172,621</u>

Total operating lease expense for the year ending June 30, 2007 was \$129,324.



## Document # 6-A.2

### MSAD 51

Computer Equipment Lease Purchase: Twenty-seven (27) page Lease Purchase Agreement dated September 15<sup>th</sup>, 2006 in the principal amount of \$101,415.60 for Computer Equipment, with a balance as of July 1<sup>st</sup> in the amount of 101,415.60 and a final maturity date of July 15<sup>th</sup>, 2009.

MSAD #51

Compound Period .....: Annual

Nominal Annual Rate ....: 5.100 %  
 Effective Annual Rate ...: 5.100 %  
 Periodic Rate .....: 5.1000 %  
 Daily Rate .....: 0.01417 %

## CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Lease	09/15/2006	101,415.60	1	
2 Payment	07/15/2007	37,024.00	3 Annual	07/15/2009

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	Balance
Lease 09/15/2006				101,415.60
2007 Totals	0.00	0.00	0.00	
1 07/15/2007	37,024.00	4,353.26	32,670.74	68,744.86
2008 Totals	37,024.00	4,353.26	32,670.74	
2 07/15/2008	37,024.00	3,505.99	33,518.01	35,226.85
2009 Totals	37,024.00	3,505.99	33,518.01	
3 07/15/2009	37,024.00	1,797.15	35,226.85	0.00
2010 Totals	37,024.00	1,797.15	35,226.85	
Grand Totals	111,072.00	9,656.40	101,415.60	

## Document # 6-A.3

### MSAD 51

Bus and Lawn Tractor Lease Purchase: - 25 (25) page Lease Purchase Agreement dated September 15<sup>th</sup>, 2006. The principal amount of \$214,480.12 for two school buses and a lawn tractor with a balance of \$214,480.12 as of July 1<sup>st</sup>, 2007, and a final maturity date of September 15<sup>th</sup>, 2009.

MSAD #51

Compound Period .....: Annual

Nominal Annual Rate ....: 5.100 %  
 Effective Annual Rate ...: 5.100 %  
 Periodic Rate .....: 5.1000 %  
 Daily Rate .....: 0.01417 %

## CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Lease	09/15/2006	214,480.12	1	
2 Payment	07/15/2007	78,300.00	3 Annual	07/15/2009

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	Balance
Lease 09/15/2006				214,480.12
2007 Totals	0.00	0.00	0.00	
1 07/15/2007	78,300.00	9,206.56	69,093.44	145,386.68
2008 Totals	78,300.00	9,206.56	69,093.44	
2 07/15/2008	78,300.00	7,414.72	70,885.28	74,501.40
2009 Totals	78,300.00	7,414.72	70,885.28	
3 07/15/2009	78,300.00	3,798.60	74,501.40	0.00
2010 Totals	78,300.00	3,798.60	74,501.40	
Grand Totals	234,900.00	20,419.88	214,480.12	

AMENDMENT TO LEASE AGREEMENT TO CONVERT  
TO LEASE PURCHASE AGREEMENT

This Amendment to lease Agreement to Convert to Lease Purchase Agreement made and entered into this 28<sup>th</sup> day of March, 2003, by and between the Town of Cumberland, a municipal corporation ("Lessor") with a mailing address of: 290 Tuttle Road, Cumberland, ME 04021 attention: Town Manager, and School Administrative District 51, a school administrative district ("Lessee") with a mailing address of 357 Tuttle Road, P.O. Box 6A, Cumberland Center, ME 04021 attention: Superintendent.

WITNESSETH:

WHEREAS, the Lessor and Lessee entered into a certain Lease dated June 25, 1997 in regard to the Drowne Road School, so-called; and

WHEREAS, the term of said lease was for ten (10) years commencing June 1, 1998 and ending on June 1, 2008; and

WHEREAS, the parties wish to convert said lease to a lease purchase agreement with a term of ten (10) years commencing April 1, 2003 and ending March 31, 2014. Now therefore, based on the foregoing considerations, the parties agree as follows:

1. Term. The Lessor and Lessee agree that as of April 1, 2003 the Lease shall be converted to a Lease Purchase Agreement with a ten (10) year term commencing April 1, 2003 and ending March 31, 2013. During the ten year term of the Lease Purchase Agreement Lessee shall pay Lessor One Hundred Eighty-two Thousand Two Hundred Forty and 52/100 Dollars (\$182,240.52), annually, in equal monthly installments of Fifteen Thousand One Hundred Eighty-six and 71/100 Dollars (\$15,186.71), each monthly installment payable in advance on or before the first day of each month.

2. Option to Purchase. If Lessee is not then in default of the performance of its obligations under this Lease Purchase Agreement, on March 31, 2013 Lessor shall convey to lessee by quitclaim deed without additional consideration, subject only to encumbrances of record as of the date of this Agreement, utility easements of record, and the provisions of the zoning ordinance of the Town of Cumberland, the premises described in Exhibit A attached hereto, together with the buildings and improvements located thereon (hereinafter "the Premises").

3. Condition in Deed. The deed shall contain a provision that in the event that the Board of School Directors of Lessee determine at any time in the future that the Premises do not have any future anticipated use for school or other SAD educational or administrative purposes, the Board of School Directors shall offer to transfer ownership of the Premises to Lessor at no cost to Lessor before offering to convey the Premises to any other party.

4. Maintenance Reserve. Any sums remaining in Lessor's maintenance reserve account established pursuant to the Lease dated June 25, 1997 shall remain the property of Lessor and no credit or financial adjustment shall be made by virtue of this provision, however, Lessee shall have no obligation to contribute further to said account.

5. Condition of Premises. Lessee agrees it has had a substantial opportunity to inspect the premises and that it shall take the Premises on an "as is, where is" basis and the Lessor shall have no obligations in regard to any express or implied warranties or representations regarding the condition of said Premises.

6. Indemnification. Lessee further agrees that during this Lease and after delivery of the deed, it shall, within the terms of the Maine Tort Claims Act, defend and indemnify Lessor from any and all actions, claims for damages, including property and bodily injury claims, debts, breach of contract, environmental damage or other loss or expense caused by the negligence of the Lessor and/or Lessee or otherwise, including attorney's fees and costs, arising out of the Lessor's ownership of the premises subsequent to June 25, 1997 and Lessee's use and occupancy of said premises hereafter.

7. Quiet Enjoyment. Lessor agrees to deliver to the Lessee physical possession and quiet enjoyment of the Premises upon the commencement of the term hereof, free and clear of any and all encumbrances, attachments, liens or other interests, claims or rights of possession, except as aforesaid.

8. Utilities; Expenses. Lessee shall be responsible for all utility expenses and costs at the Premises commencing April 1, 2003 and throughout the ten year term of this Lease Purchase Agreement.

9. Insurance. During the term of this Agreement, Lessee shall obtain and maintain at its expense a policy of general liability insurance coverage, insuring against liability for bodily injury and property damage with a minimum combined single limit of \$1,000,000. The policy shall name the Lessor as an additional insured. Lessee shall supply evidence of such coverage to Lessor, which shall not be canceled without 30 days notice to Lessor and Lessee. During the term of this Agreement, Lessee shall maintain fire and hazard liability insurance on the Premises for the full replacement value of the building and improvements. Lessee shall also insure its property and effects. Lessor and Lessee hereby waive rights of subrogation to the extent not prohibited by the insurance policies required under this subparagraph, and hereby each release the other from claims required to be insured against, including claims based on negligence. During the term of this Agreement, lessee shall be entitled to any insurance proceeds for fire and hazard damage to the Premises.

10. Maintenance and Repairs. Lessee shall be responsible for all maintenance on the Premises, including but not limited to, snow and ice removal, sanding of sidewalks, parking areas and drives, lawn and landscaping maintenance, general routine maintenance, garbage removal and for all cleaning and janitorial services. Lessee shall also be responsible for the cost of structural repairs and replacements, including the roof, foundation, exterior walls, facades,

parking areas and drives and the replacement and repair of major building systems components of a capital nature.

11. Signs. Lessee shall be permitted to install signage on the Premises. Any sign installed shall conform with any and all governmental regulations and ordinances applicable.

12. Alterations, Modifications, Repairs. Lessee may make such changes and alterations to the Premises as it deems necessary or useful in connection with Lessee's use of the Premises.

13. Destruction of Premises. In the event of total or partial destruction of the Premises, Lessee shall determine whether or not to rebuild or repair the same, provided that such total or partial destruction shall not relieve Lessee of its payment obligations to Lessor under this Agreement.

14. Eminent Domain. Lessee shall receive the total of any damages awarded as a result of condemnation proceedings. Such condemnation shall not relieve Lessee of its payment obligations to Lessor under this Agreement unless the condemnation proceedings are instituted by Lessor and the Premises are thereby rendered unsuitable for use as a school by Lessee.

15. Assignment and Sublease. Lessee may not sublet or assign the Premises or other part thereof without the prior consent of Lessor, which consent shall not be unreasonably withheld.

16. Default. Lessee shall have breached this Agreement and shall be considered in default hereunder if (1) Lessee fails to pay any lease purchase payment when due, and such failure continues for a period of thirty (30) days after receipt of notice thereof from Lessor or (2) Lessee fails to substantially perform or comply with any of the covenants or conditions of this Agreement and such failure continues for a period of thirty (30) days after receipt of notice thereof from Lessor, or if such default cannot reasonably be cured within 30 days, such additional time as is reasonably required given the nature of such default for Lessee to diligently prosecute such cure to completion.

17. Remedies. Lessee covenants and agrees that in the event of an uncured default, upon receipt of written demand from Lessor, at the option of Lessor, Lessee shall either (1) pay during the remainder of what would have been the then current term of the lease, to the Lessor, on the last day of each calendar month, the difference, if any, between the rental which would have been due for such month had there been no such termination and the amount being received by Lessor as rent from occupants of the Leased Premises, if any or (2) be liable for and pay to Lessor the entire unpaid rental and all other balances due under this Lease for the remainder of the then current term less the fair market rental value of the premises for the remainder of the term. In addition, Lessee agrees to pay to Lessor as damages for any default, termination or breach, all costs, including reasonable attorney's fees, incurred by Lessor in connection with any default, termination, breach, eviction, forcible entry and detainer, collection or other enforcement of Lessor's rights hereunder, all costs of re-letting the Leased Premises, including, but not limited to, brokerage fees, advertising and marketing costs and costs or re-fitting the leased

premises to suit the new Lessee; however Lessor agrees to use its best efforts to mitigate said damages.

18. Notice. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth above or at such other address as either party may from time to time designate in writing.

19 Consents. Any consent by Lessor hereunder shall not be unreasonably withheld or delayed.

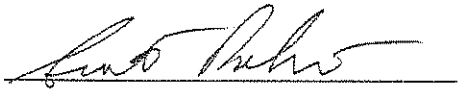
20 Entire Agreement. Effective April 1, 2003, this Agreement replaces and supercedes the Lease Agreement dated June 25, 1997 between the Parties which shall thereafter be deemed terminated and of no further force and effect. This Agreement contains the entire agreement of the parties hereto with respect to the Premises. This Agreement may not be amended, modified, released or discharged, in whole or in part, except by an instrument in writing signed by the parties hereto, their respective successors or assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment to lease and Conversion to lease Purchase Agreement under seal as of the day and year first above-written.

Witness:

Lessor:

Town of Cumberland

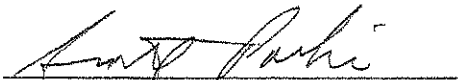


By: 

Robert B. Benson  
Its Town Manager

Lessee:

Maine School Administrative  
District No. 51



By: 

Robert G. Harrison Jr.  
Its Superintendent



## **EXHIBIT 6-B**

**Bonds, Notes and Lease Purchase Agreements That the New Casco Bay School District Will Not Assume:**

Any state qualified debt will be assumed by the New Casco Bay School District. Any local share of debt will not be assumed by the RSU, but will stay with the member municipalities of the Falmouth School Department and MSAD #51. Cumberland and North Yarmouth will assume their share of existing MSAD #51 local debt on the basis of each respective percentage share of their total State equalized property valuation.

Therefore, for example, the local share of debt of the Greely High School addition and renovation will not be assumed by the RSU but will stay with the MSAD #51 member municipalities of Cumberland and North Yarmouth, and the local share of debt of the proposed Falmouth Elementary School will not be assumed by the RSU but stay with the Town of Falmouth.

## **EXHIBIT 6-C**

New Capital Project Debt that the New Casco Bay School District Will Issue and Assume:

Falmouth: NONE

MSAD 51: NONE

## **EXHIBIT 6-D**

New Capital Project Debt that the New Casco Bay School District Will Issue But Will Not Assume:

Falmouth: NONE

MSAD 51: NONE