



AGENDA

- ITEM 1.** Call to Order
- ITEM 2.** Consideration of the January 31, 2011 Council Meeting Minutes
- ITEM 3.** Consideration of the Agenda
- ITEM 4.** Comments from the Public
- ITEM 5.** New Business
 - a. CBDG – Letter of Intent
- ITEM 6.** Unfinished Business
 - a. Property Tax Foreclosure List Discussion
- ITEM 7.** Additions by Council
- ITEM 8.** Manager's Report
- ITEM 9.** Requests for Information and Town Council Comments
- ITEM 10.** Review of Town Warrants 17, 17A, 17B and Town Payroll 17
- ITEM 11.** Adjournment

Joseph Friedman
1 Veazie Villas
852-0933

Jonathan Parker
1149 Buck Hill Dr.
947-4740

Brian Perkins
1116 Chase Rd.
942-2609

Roderick Hathaway
203 Chickadee Drive
947-6207

David King
1081 Main Street
942-2376

visitors. Penquis has worked with Bangor Health and Community Services and the Open Airways Program for Asthma to develop a plan to coordinate this approach.

Proposed Motions:

Motion to authorize the Town Manager to submit a letter of intent for the proposed regional CBDG application by February 18th and to designate the administrator of the grant from the RFQ's received.

ITEM 6A: Tax Foreclosure List Discussion:

Please find enclosed a memo and follow up documentation pertaining to properties that have passed their property tax foreclosure date. Staff is requesting that the Town Council provide direction. At the present time it would be recommended that we extend another opportunity for the owners to enter repayment agreements by a date certain and that after that date that the Town Council authorize staff to start a property tax acquired sale offering or sale process.

ITEM 8.

Please find enclosed:

- a.) The awarding of the Boston Post Cane will be scheduled for the next Council meeting due to scheduling conflicts.
- b.) Please find enclosed a copy of the RSU 26 Audit Report. The RSU ended with a good sized fund balance and should be able to address the coming budget season.
- c.) Please find enclosed a copy of a list of proposed legislation that may impact us "Towns" – the list was prepared by David Little of Bangor as a part of the regional working groups.
- d.) Please find enclosed an email from Paula Maxim stating that the Fire Department did an outstanding job at her house.
- e.) Please find enclosed a copy of an email with concerns pertaining to Northeast Patients Group ~ this was enclosed just as an FYI.
- f.) Please find enclosed a copy of an email from Councilor Perkins to Barney Silver pertaining to snow removal.
- g.) Please find enclosed a copy of the Orono Veazie Water Districts minutes.
- h.) Please find enclosed two Certificates of Appreciation from the Maine Criminal Justice Academy.

PRESENT: Chairman Hathaway, Councilor Friedman, Councilor Perkins, Councilor King, Councilor Parker, Manager W. Reed, Deputy Clerk K. Humphrey, Office Administrator J. Reed, Assessor/CEO A. Thomas, Public Works Superintendent B. Stoyell, Parks & Recreation Director R. Young, Police Chief M. Leonard, Members of the Public.

ITEM 1. The January 31, 2011 Veazie Town Council meeting was called to order at 7:00PM.

ITEM 2. Consideration of the Minutes

Motion By: Councilor King—to accept the January 3, 2011 meeting minutes as written. Seconded: Councilor Parker, Voted 5-0 in favor.

ITEM 3. Consideration of the Agenda

Discussion on a letter from the Sewer District was added as item 5c.

ITEM 4. Comments from the Public

Pat Rice asked for an update on consultant George Harris and his study. Manager Reed stated that Mr. Harris had to meet with various people and is reviewing his information and hopefully will have a submittal in the next two weeks.

ITEM 5a. Departmental Budget Review & Updates

Chairman Hathaway inquired on outstanding taxes. Manager Reed outlined that the Town has collected around 97 percent.

Chairman Hathaway inquired about winter maintenance and general assistance, two items that frequently go over budget. Manager Reed outlined that the Town has gone over on salt, however, the Town also took over maintaining Route 2 which uses a lot of salt. Manager Reed stated that as of December 31st the Town had used \$6,800 of the budgeted \$10,000 for general assistance and the Town might be hit hard in February for oil assistance.

ITEM 5b. Marijuana Dispensaries and Site Cultivation

Manager Reed stated that the Planning Board's draft provisions include the requirement for an annual license for any such facility. The Town Attorney asked that staff discuss the concept with the Town Council and get some input on whether an annual license should be required and if so which official or entity should be the licensing authority. Manager Reed stated that staff's recommendation would be that it be designated to the Police Chief.

It was the consensus of the Council to have an annual license and to have the licensing authority be the Police Chief.

Motion By: Councilor Friedman—to schedule a public hearing on the proposed Moratorium on Marijuana Dispensaries and Marijuana Site of Cultivation for February 28th, 2011 as required under the Veazie Town Charter. Seconded: Councilor Perkins. Voted 5-0 in favor.

ITEM 5c. Letter from Sewer District Trustees

Chairman Hathaway outlined that the Sewer District sent a letter requesting the Town Council's attendance at a meeting. Chairman Hathaway outlined that he thought it would be inappropriate for the Council to meet at an offsite location at another board's meeting. He thought it would be better to invite them here to a workshop.

There was discussion on when and where a meeting could be held. Superintendent Gary Brooks will check with trustees to see if they want to move their February 9th meeting to the Council Chambers or perhaps the school and get back to Manager Reed.

ITEM 6a. Solid Waste Discussion

Chairman Hathaway outlined that he received a call from Geoff Gratwick from Bangor who is working with Orono on a regional effort for solid waste. It was the consensus of the Council to hold off on any decisions on a contract until more discussions were had with Bangor and Orono.

ITEM 6b. Town Services Review & Departmental Restructure Plan

Councilor Perkins inquired whether Manager Reed was looking at the entire town or just one department in particular. Manager Reed stated the entire town.

Manager Reed mentioned a consultant that the City of Old Town used.

It was the consensus of the Town Council to extend an invitation to the consultant to have him come to a future Council meeting and see what he can do for the Town.

ITEM 7a. Proclamation – Boston Post Cane

Chairman Hathaway stated that he would like to resurrect the tradition of giving a Boston Post Cane to the eldest resident. The Town Council wished to invite the eldest resident to the next meeting so that they may present them with the proclamation and cane.

ITEM 7b. Lou Silver Inc. Update

Manager Reed stated that the number one complaint is mailboxes being hit. Barney Silver has been notified of all mailbox damage to address. He has also taken out snow banks for sight distance. Chairman Hathaway inquired on how the mailboxes are being addressed. Manager Reed stated that the names and addresses of damaged mailboxes are given to Mr. Silver and he sends a crew out to fix them. Councilor Parker thought it would be a good idea to list the Town's priority streets like Milford did in the Penobscot Times. Member of the public Travis Noyes inquired on who was responsible for things like curbing and sod. Manager Reed stated it depended on the amount of damage.

ITEM 7c. BAT Update

Joe McNeil from the BAT was here to give an update on the bus. Ridership has dropped down a little. The BAT will be receiving a new bus for the VOOT route.

It will be wider to accommodate wheel chairs better and will have additional space on the bicycle rack to hold more bicycles. Councilor Friedman stated that the buses are always on time, they are clean and the drivers are friendly.

ITEM 8. Manager's Report

The Councilors reviewed the following items:

- a. a letter from Time Warner pertaining to the cable franchise renewal.
- b. a letter from the Sewer District pertaining to the proposed rate increase.
- c. copies of emails pertaining to snow plowing comments
- d. a statement from WBRC displaying the inkind contribution that they made.
- e. maps developed by the Conservation Commission of walking trails
- f. the Water District's meeting minutes
- g. an invitation from the Bangor City Council on the "Community Reads" Program.
- h. the Regional Assessors Plan Report.
- i. the Water District's meeting minutes
- j. comments received from the website about snow plowing.

ITEM 9. Requests for Information and Town Council Comments

Councilor King inquired whether the Water District had gotten back to staff on their hydrant rental rates. Manager Reed said they have not yet. Councilor King also inquired on the purchase of the Comeau property. Manager Reed stated that it was coming along slowly. Information has been sent to the Town Attorney but staff has not received any final documentation back from him

Councilor Perkins inquired on the Town Manager's contract. Chairman Hathaway stated that he will be bringing that forward and contacting each of the Councilors.

Chairman Hathaway inquired if there was any update from the State on the tower. CEO Allan Thomas stated that he has not heard anything.

ITEM 10. Warrants: Town Warrant 15, 16, 16A & 16B and Town Payroll 15 & 16 were circulated for signature.

ITEM 11. Adjournment: Motion: Councilor Friedman—to adjourn the January 31, 2011 Town Council Meeting. Seconded: Councilor King. There was no further discussion. Voted 5-0. Meeting adjourned 8:33 pm.

A true record, Attest:



*Karen Humphrey
Deputy Clerk
Town of Veazie*

2011 Housing Assistance Grant – DRAFT - January 13, 2010**Project Concept**

The goal of this proposal is to improve housing conditions among that portion of the population that experience poor health due to poor housing quality. Our primary emphasis and collaborations are focused on asthma and specifically those cases where the home environment is determined to be a causal factor. Fuel burning, insect infestation, moisture, tobacco, building materials, ventilation and pets have all been determined to be key triggers for asthma. By improving the building structure of existing homes, we can not only improve the housing stock, but also make it safer and more affordable for households with low incomes that have little ability to make these improvements on their own. Partnerships with health agencies will ensure that we also address occupant behavior.

In addition to asthma there are other obstacles to achieving 'healthy homes' that we adopt as related goals to this approach, including: radon, poor water quality, lead, carbon monoxide, and unintentional injuries. Through collaborations with health organizations, particularly Bangor Public Health and Wellness, we will develop a means to identify and recruit those households where the indoor environment has been determined to be a causal factor in poor health outcomes.

Penquis will seek to target Weatherization and home repair funds to the 'target' households, but to supplement this resource and have a pool of dedicated funds to implement this approach we are proposing a multi-town application for Community Development Block Grant (CDBG) funds.

Following is an outline of key grant requirements. Our goal is to invite the 12 communities served by Bangor Public Health and Wellness (BPHW). This is the same area served through an existing partnership between Penquis and BPHW. The partnership recently received a planning grant from the Maine Health Access Foundation (MeHAF) that is developing a protocol to connect health outreach and information with building expertise. Receipt of CDBG funds will ensure that we actually have the resources to fix housing when specific health benefits can be achieved¹, ensuring that the expenditure of public funds is maximized for the greatest benefit.

CDBG Grant Requirements**Key Dates**

February 18 – Letter of Intent due to the Department of Economic and Community Development

April 1 – Application Due

Town Requirements

January-February 10

¹ According to the Agency for Healthcare Research and Quality, the average cost in 2006 dollars for a hospital stay for an adult with asthma was \$9,261; and for a child, this figure was \$7,987.

1. Determine interest in participating.
2. Endorse lead community, that will serve as the applicant on behalf of participating communities
3. Jointly participate with other communities in a procurement of a CDBG Rehab Tech and Administrator, as required by the Letter of Intent. Hiring of this person would be dependent upon actually receiving the grant.

February – March 25

4. Participate in Public Hearing in March
5. Participate on steering committee
6. Sign consent form for multi-community grant and designation of 'lead' community

Town Eligibility

The City of Bangor is not eligible to participate in the State CDBG program. We anticipate their involvement, however, through our efforts with MeHAF, described above. Any community that has received 2 CDBG housing grants in the past 5 years is not eligible, as well as any community that currently has an open CDBG grant. CDBG rules (page 7 of the Final Statement) provide that 'communities participating in multi-jurisdictional applications may submit their own applications for the same program as long as they demonstrate that there will not be a duplication of program activity/benefit.' Communities that were a recipient of a 2010 Housing Assistance grant are not eligible. All prior Housing Assistance grants must be 100% expended and conditionally closed out.

Eligible Activities

Generally, grant activities must bring the house up to HUD Section 8 Minimum Housing Quality Standards. However, emergency repairs and energy conservation can be done without bringing the entire unit to this standard, as can projects undertaken to correct specific health and safety issues only. Part of our discussion prior to the grant would be to determine our specific activities.

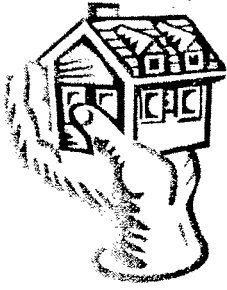
The grant also provides for up to 15% of the grant for overall administrative costs.

Summary

Penquis is prepared to develop the application and coordinate activities to meet the program requirements and deadlines. We intend to respond to the lead community's solicitation for administrative support in hopes that we may eventually administer the grant.

Increasingly, housing rehab funding will seek to follow the 'healthy home' approach and scope laid out in this proposal. Receipt of this grant will address some of the most distressing housing – because of its impact on resident health. Moreover, future funding through HUD and other housing agencies is likely to follow this approach.

Please contact Michael Bush at 973-3545 or mbush@penquis.org if you have questions or advice.



ITEM # 5a11

State of Maine
Community Development Block Grant Program
2011 Housing Assistance Program

Letter of Intent to Apply

(Due at DECD on or before February 18, 2011, 4:00 p.m.)

All communities wishing to apply for a 2011 Housing Assistance Grant must use this Letter of Intent to document compliance with requirements established by Title I of the Housing and Community Development Act of 1974, as amended and the State of Maine CDBG program. Applicants who submit a completed and approved Letter of Intent will be notified by OCD that they are eligible to submit a final application. Eligibility to submit a final application does not imply final project approval or funding.

A. APPLICANT ELIGIBILITY

1. Legal Applicant:

Applicant:	Town of Veazie	Phone:	947-2781
Address:	1084 Main St.	Fax:	
City, ZIP:	Veazie 04401	E-Mail:	veazietm@aol.com
Chief Official:	Bill Reed		
Grant Year of Last CDBG Housing Assistance Award:	Not Applicable		
Census Tracts #(s) Where Proposed Activities Will Occur:	Multi-town application		
DUNS #:	Applicant DUNS (Dunn & Bradstreet) #: (visit www.nea.gov/grants/apply/DUNS.html if applicant needs to obtain a number)		

2. Applying on Behalf of Sub-Grantee (if applicable): (e.g.: Non-Profit Housing Developer)

Sub-Grantee:		Phone:	
Address:		Fax:	
City, ZIP:		E-Mail:	
Agency Rep:		Title	

3. Engineer/Architect consulted for project & providing cost estimates (if applicable):

Name:		Phone:	
Firm:		Fax:	
Address:		E-Mail:	
City, ZIP:			

B. CATEGORY

Place an "X" to the left of the HA category for which this Intent to Apply is being made:

<input checked="" type="checkbox"/>	1. Housing Rehabilitation
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2. Other Housing Activity

C. PROJECT INFORMATION

Provide a clear, concise description of the proposed project using the space below. The scope of work should be very specific in identifying how the CDBG money will be used in meeting a National Objective of benefiting low-to-moderate income people.

The project will rehabilitate 16-20 homes, incorporating a 'healthy homes' approach that integrates Housing Quality Standard improvements with structural remedies to known health hazards in the home. Program referrals will be developed through a partnership with area home healthcare agencies, so that client selection is based on: 1) a known hazard impacting resident health, and 2) a health assessment indicating the opportunity to impact health through structural and other improvements. Veazie is the lead community, with the towns of Hampden, Holden, Orono, and Old Town also indicating their interest to participate.

D. COST ESTIMATES & PROJECT FUNDING

Provide the estimated project cost, amount of CDBG funds to be requested and sources, amounts and dates secured for all anticipated cash matching funds. All applicable construction estimates should be prepared by the Engineer/Architect (from section A-3). Take into account the inflation rate in relation to the anticipated starting date of the project and applicable DAVIS/BACON wage rates as they apply to construction costs.

Total Estimated Project Cost:	\$365,000	CDBG Request:	\$300,000
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Funding Source	Amount	Date Secured
Penquis Weatherization	\$50,000	pending
Maine Health Access Found.	\$15,000	November, 2010
TOTAL:	\$65,000	

E. CDBG CERTIFIED ADMINISTRATORS

Name of Certified Administrator:				
Date Certified:				
Municipal Employee?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If not a municipal employee describe the procurement process used for selection:				

Name of Certified Rehab Tech:	(For Housing Rehabilitation Applicants Only)			
Date Certified:				
Municipal Employee?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Applicant Certifications

- a. To the best of my knowledge and belief, the information in this Letter of Intent and all attached documentation is true and correct;
- b. This pre-application complies with all applicable State and federal laws and regulations; and
- c. Approval of this Letter of Intent by OCD to submit a final application does not imply final project approval or funding.

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Signature of Chief Executive Officer

Name of Community

Date: mm/dd/year

ITEM 62

INTEROFFICE MEMORANDUM

TO: WILLIAM B. REED, TOWN MANAGER
FROM: JULIE REED, DEPUTY TAX COLLECTOR
SUBJECT: OUTSTANDING TAXES
DATE: 2/10/2011
CC: TOWN COUNCIL

Attached are several lists of properties with outstanding property taxes by tax year. There are four properties which have passed the foreclosure date and staff is looking for direction on how to move forward. One of the property owners has contacted the Town and wishes to enter into a repayment contract. Attached you will find the details of these four properties.

Staff has also sent out friendly reminder notices to all tax payers. The list is attached.

Non Zero Balance on All Accounts

Tax Year: 2007-1
As of: 02/09/2011

02/09/2011

Page 1

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
No Non Lien Accounts			0.00	0.00	0.00

Payment Summary

Type	Principal	Interest	Costs	Total
I - Interest Charged	0.00	0.00	0.00	0.00
P - Payment	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Non Lien Summary

Total	0.00
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945 L	Han, Martin	2007	428.54	-62.81	491.35
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Total for 1 Account:	428.54	-62.81	491.35
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Payment Summary

Type	Principal	Interest	Costs	Total
I - Interest Charged	0.00	-60.78	0.00	-60.78
L - Lien Costs	0.00	0.00	-8.54	-8.54
P - Payment	0.00	6.51	0.00	6.51
Total	0.00	-54.27	-8.54	-62.81

Lien Summary

2007-1	491.35
Total	491.35

Total for 1 Account:	428.54	-62.81	491.35
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Non Zero Balance on All Accounts

Tax Year: 2008-1
As of: 02/09/2011

02/09/2011

Page 1

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
No Non Lien Accounts			0.00	0.00	0.00

Payment Summary

Type	Principal	Interest	Costs	Total
C - Correction	-570.59	0.00	0.00	-570.59
I - Interest Charged	0.00	0.00	0.00	0.00
P - Payment	0.00	0.00	0.00	0.00
Total	-570.59	0.00	0.00	-570.59

Non Lien Summary

Total	0.00
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945 L	Han, Martin	2008	382.18	-57.08	439.26
346 L	Johnstone, Tracy	2008	2,042.81	-272.79	2,315.60
1032 L	Lindsay, Ryan	2008	110.25	-21.75	132.00
818 L	Selley, Robert	2008	402.94	37.16	365.78

Total for 4 Accounts:	2,938.18	-314.46	3,252.64
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Payment Summary

Type	Principal	Interest	Costs	Total
I - Interest Charged	0.00	-380.30	0.00	-380.30
L - Lien Costs	0.00	0.00	-34.16	-34.16
P - Payment	0.00	87.70	12.30	100.00
Total	0.00	-292.60	-21.86	-314.46

Lien Summary

2008-1	3,252.64
Total	3,252.64

Total for 4 Accounts:	2,938.18	-314.46	3,252.64
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Non Zero Balance on All Accounts

Tax Year: 2009-1
As of: 02/09/2011

02/09/2011

Page 1

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
No Non Lien Accounts			0.00	0.00	0.00

Payment Summary

Type	Principal	Interest	Costs	Total
I - Interest Charged	0.00	0.00	0.00	0.00
P - Payment	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Non Lien Summary

Total	0.00
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707 L	Bishop, Jason & Marcie	2009	1,869.21	0.00	1,869.21
884 L	Brough, Rebecca	2009	307.62	0.00	307.62
729 L	Cates, Lauren & Nick PIP	2009	179.88	99.97	79.91
150 L	Cronkite, Ronald	2009	270.78	0.00	270.78
653 L	Crowe, C. W.	2009	12,200.50	0.00	12,200.50
148 L	Crowe, Clyde	2009	2,953.71	0.00	2,953.71
249 L	Crowe, Clyde	2009	3,099.06	0.00	3,099.06
650 L	Dye, Jeanine	2009	235.16	0.00	235.16
945 L	Ham, Martin	2009	394.83	0.00	394.83
964 L	Ham, Martin	2009	233.11	0.00	233.11
881 L	Jewett, Brad	2009	232.73	96.06	136.67
346 L	Johnstone, Tracy	2009	2,040.70	0.00	2,040.70
309 L	Knowlton, Percival	2009	488.61	0.00	488.61
524 L	Lawlis, Robert	2009	4,405.96	0.00	4,405.96
962 L	Lemerich, Jacki & Barbara	2009	167.60	34.55	133.05
606 L	Lessner, Christopher	2009	113.99	0.00	113.99
1032 L	Lindsay, Ryan	2009	134.85	0.00	134.85
900 L	McLaughlin, Kim	2009	439.48	364.85	74.63
668 L	Osborne, Rebecca	2009	323.18	0.00	323.18
818 L	Selley, Robert	2009	413.25	0.00	413.25
901 L	Walker, Christopher	2009	108.44	48.41	60.03
Total for 21 Accounts:			30,612.65	643.84	29,968.81

Payment Summary

Type	Principal	Interest	Costs	Total
I - Interest Charged	0.00	-25.42	0.00	-25.42
P - Payment	391.50	92.45	185.31	669.26
Total	391.50	67.03	185.31	643.84

Lien Summary

2009-1	29,968.81
Total	29,968.81

Veazie
04:19 PM

Non Zero Balance on All Accounts

Tax Year: 2009-1
As of: 02/09/2011

02/09/2011

Page 2

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
Total for 21 Accounts:			30,612.65	643.84	29,968.81

Non Zero Balance on All Accounts

Tax Year: 2010-1
As of: 02/10/2011

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
606 R	Andrei, Anna	2010	280.12	0.00	280.12
709 R	Babin, Parker, et al	2010	823.44	0.00	823.44
111 R	Barnett, Tom	2010	293.28	0.00	293.28
963 R	Berry, Ian	2010	246.28	0.00	246.28
707 R	Bishop, Jason & Marcie	2010	1,710.80	0.00	1,710.80
884 R	Breau, Rebecca	2010	285.76	0.00	285.76
1038 R	Brickford, Andrew	2010	304.56	0.00	304.56
945 R	Brown, Sarah PIP	2010	142.88	0.00	142.88
82 R	Brown, Sharon	2010	383.52	0.00	383.52
46 R	Bryant, Shawn	2010	157.92	0.00	157.92
729 R	Cates, Lauren & Nick PIP	2010	133.48	0.00	133.48
683 R	Chapman, Veronica	2010	9.40	0.00	9.40
120 R	Chase, Laura	2010	1,767.20	1,083.36	683.84
796 R	Cobb, Tracy	2010	3,617.12	0.00	3,617.12
854 R	Coulombe, Robert	2010	203.04	0.00	203.04
150 R	Cronkite, Ronald	2010	251.92	0.00	251.92
653 R	Crowe, C. W.	2010	11,172.84	0.00	11,172.84
148 R	Crowe, Clyde	2010	2,680.88	0.00	2,680.88
249 R	Crowe, Clyde	2010	2,814.36	0.00	2,814.36
149 R	Cunningham, Robert	2010	101.52	0.00	101.52
157 R	Davies, Susan E	2010	1,966.48	1,473.20	493.28
583 R	Deschesne, Scott	2010	3,175.32	1,079.90	2,095.42
271 R	Dieuveuil, Harry & Jennifer	2010	3,573.88	0.00	3,573.88
524 R	Dubay, Dale	2010	4,004.40	0.00	4,004.40
944 R	Dugas, Roger & Duarte, Rhonda	2010	99.64	0.00	99.64
650 R	Dye, Jeanine	2010	184.24	0.00	184.24
902 R	Farrell, Mike & Fonda	2010	293.28	0.00	293.28
173 R	Grandchamp, Dianne	2010	5,976.52	0.00	5,976.52
491 R	Graves, Gerard	2010	3,658.48	2,500.00	1,158.48
117 R	Grover, Jeri L.	2010	1,864.96	0.00	1,864.96
265 R	Guerin, Maureen	2010	2,120.64	0.00	2,120.64
964 R	Ham, Martin	2010	182.36	0.00	182.36
624 R	Hambrock, Thomas	2010	780.20	0.00	780.20
710 R	Hartwell, William	2010	306.44	149.95	156.49
640 R	Hashmi Bros, INC.	2010	3,081.32	130.02	2,951.30
893 R	Heath, Scott & Kathi	2010	494.44	0.00	494.44
1028 R	Hester, James	2010	156.04	0.00	156.04
983 R	Holand, Delores	2010	35.72	0.00	35.72
316 R	Horvath, John	2010	1,293.44	0.00	1,293.44
858 R	Huston, Jeffrey	2010	84.60	0.00	84.60
885 R	Johnson, Donald	2010	216.20	0.00	216.20
346 R	Johnstone, Tracy	2010	1,842.40	0.00	1,842.40
359 R	Jordan, Herbert	2010	866.68	400.00	466.68
960 R	King, Stephen	2010	304.56	0.00	304.56
309 R	Knowlton, Percival	2010	447.44	0.00	447.44
899 R	Lawler, Henry	2010	295.16	200.32	94.84
145 R	Levesque, Anthony	2010	139.12	0.00	139.12

Non Zero Balance on All Accounts

Tax Year: 2010-1
As of: 02/10/2011

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
1032 R	Lindsay, Ryan	2010	92.12	0.00	92.12
412 R	Lunt, Brian	2010	1,430.68	0.00	1,430.68
286 R	Macdonald, Mary Lee	2010	223.72	0.00	223.72
7 R	MacGregor, Ian	2010	214.32	0.00	214.32
906 R	Malo, Ben	2010	37.60	0.00	37.60
900 R	McLaughlin, Kim	2010	394.80	0.00	394.80
881 R	McLeod, Scott	2010	353.44	0.00	353.44
458 R	Monroe, Michael	2010	2,240.96	0.00	2,240.96
989 R	Morrisette, Debra	2010	434.28	0.00	434.28
469 R	Myers, Alvin R Sr ET AL	2010	1,703.28	999.23	704.05
470 R	Myers, Jay Kevin & Myers, Alvin Jr	2010	31.96	0.00	31.96
471 R	Myers, Jay Kevin & Myers, Alvin Jr	2010	13.16	0.00	13.16
668 R	Osborne, Rebecca	2010	259.44	0.00	259.44
861 R	Parent, Irma	2010	28.20	0.00	28.20
977 R	Parker, Jonathan	2010	4,549.60	1,432.84	3,116.76
504 R	Patterson, Harold Jr	2010	1,703.28	0.00	1,703.28
333 R	Patterson, Sherrie	2010	622.28	0.00	622.28
552 R	Perkins, Joan L	2010	2,128.16	0.00	2,128.16
522 R	Peters, Clarence Jr	2010	1,823.60	1,631.82	191.78
1027 R	Pinkham, Dorin and Pinkham Kevin	2010	204.92	0.00	204.92
733 R	Raquet, Janine	2010	2,158.24	347.87	1,810.37
971 R	Sheldon, Inc.	2010	868.56	0.00	868.56
630 R	Smith, Lloyd	2010	3,361.44	0.00	3,361.44
947 R	Smith, Sherry	2010	148.52	0.00	148.52
629 R	Spack, Heather	2010	270.72	0.00	270.72
984 R	Strout, Sheldon	2010	18.80	0.00	18.80
494 R	Trafton, John	2010	47.00	0.00	47.00
270 R	Tucker, Diane	2010	1,411.88	0.00	1,411.88
691 R	Veazie Salmon Club	2010	830.96	0.00	830.96
692 R	Veazie Salmon Club	2010	120.32	0.00	120.32
901 R	Walker, Christopher	2010	152.28	0.00	152.28
594 R	Watson, Mark	2010	1,314.12	0.00	1,314.12
990 R	Winslow, Dana	2010	88.36	0.00	88.36
898 R	Young, Tim & Marcia	2010	129.72	0.00	129.72

Non Zero Balance on All Accounts

Tax Year: 2010-1
As of: 02/10/2011

Acct	Name ----	Year	Original Tax	Payment / Adjustments	Amount Due
Total for 81 Accounts:			94,235.00	11,428.51	82,806.49

Payment Summary

Type	Principal	Interest	Costs	Total
A - Abatement	1,432.84	0.00	0.00	1,432.84
C - Correction	-346.21	0.00	0.00	-346.21
I - Interest Charged	0.00	-142.07	0.00	-142.07
P - Payment	9,995.67	142.07	0.00	10,137.74
Total	11,082.30	0.00	0.00	11,082.30

Non Lien Summary

2010-1	82,806.49
Total	82,806.49

No Liened Accounts	0.00	0.00	0.00
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Payment Summary

Type	Principal	Interest	Costs	Total
Total	0.00	0.00	0.00	0.00

Lien Summary

Total	0.00
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Total for 81 Accounts:	94,235.00	11,428.51	82,806.49
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Veazie
12:51 PM

**RE Account 818 Detail
as of 02/10/2011**

02/10/2011
Page 1

Name: Seeley, Robert

Location: 1490 State St trlr 12

Acreage: 0 Map/Lot: 10 06 12

Book Page:

2010-1 Period Due:

Land: 0

Building: 18,000

Exempt 9,500

Total: 8,500

Ref1: 1988 14 X 74 RITZCRAFT

Mailing 1490 State St trlr 12

Address: Veazie ME 04401-8502

Year	Date	Reference	P C	Principal	Interest	Costs	Total
2010-1	R			0.00	0.00	0.00	0.00
2009-1	L *			351.50	43.16	34.54	429.20
2008-1	L *			361.00	0.69	4.78	366.47
2007-1	L *			0.00	0.00	0.00	0.00
2006-1	R			0.00	0.00	0.00	0.00
2005-1	R			0.00	0.00	0.00	0.00
2004-1	R			0.00	0.00	0.00	0.00
2003-1	S			0.00	0.00	0.00	0.00
2002-1	R			0.00	0.00	0.00	0.00
2001-1	R			0.00	0.00	0.00	0.00
2000-1	L *			0.00	0.00	0.00	0.00
1999-1	R			0.00	0.00	0.00	0.00
1998-1	L *			0.00	0.00	0.00	0.00
Account Totals as of 02/10/2011				712.50	43.85	39.32	795.67

Per Diem

2009-1	0.0867
2008-1	0.0989
Total	0.1856

Exempt Codes: 10 - Homestead

Note: Payments will be reflected as positive values and charges to the account will be represented as negative values.

Veazie
12:44 PM

**RE Account 1032 Detail
as of 02/10/2011**

02/10/2011
Page 1

Name: Lindsay, Ryan

Location: 30 Hobson Ave.

Acreage: 0 Map/Lot: 03 50 06

Book Page:

2010-1 Period Due:
1) 94.47

Land: 0
Building: 4,900
Exempt 0
Total: 4,900

Ref1: 1975 Mobilehome
Mailing 30 Hobson Ave
Address: Veazie ME 04401

Year	Date	Reference	P	C	Principal	Interest	Costs	Total
2010-1	R				92.12	2.35	0.00	94.47
2009-1	L *				93.10	11.43	34.54	139.07
2008-1	L *				93.10	22.79	17.08	132.97
2007-1	R				0.00	0.00	0.00	0.00
2006-1	R				0.00	0.00	0.00	0.00
Account Totals as of 02/10/2011					278.32	36.57	51.62	366.51

Per Diem

2010-1	0.0177
2009-1	0.0230
2008-1	0.0255
Total	0.0661

Note: Payments will be reflected as positive values and charges to the account will be represented as negative values.

Map Lot 10 06 12

Account 818

Location 1490 State St trlr 12

Veazie

Card 1 Of 1 2/10/2011

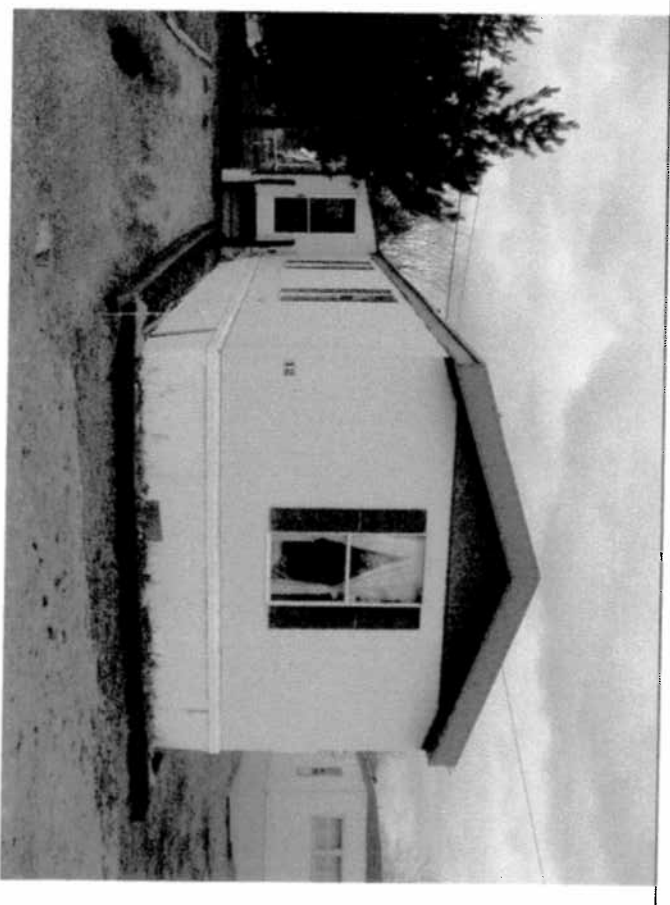
Building Style		SF Bsm't Living		Layout	
1. Conv.	5. Garrison	9. Other	Fin Bsm't Grade	1. Typical	4.
2. Ranch	6. Split	10.	OPEN-5-CUSTOMIZE	2. Inadq	5.
3. R Ranch	7. Contemp	11.	Heat Type 100%	3. Horrid	6.
4. Cape	8. Dutch	12.	1. HWBB	5. FWA	9.
Dwelling Units		2. HWCI		6. GravWA	10.
Other Units		3. H Pump		7. Electric	11.
Stories		4. Steam		8. F/Wall	12.
1.1	4.1.5	7.	Cool Type 0%	Insulation	
2.2	5.1.75	8.	1. Refrig	4. W&C Air	7.
3.3	6.2.5	9.	2. Evapor	5.	8.
Exterior Walls		3. H Pump		6.	9. None
1. Wood	5. Stucco	9. Other	Kitchen Style	4. Obsolete	7.
2. Vin/AI	6. Brick	10.	1. Modern	5.	8.
3. Compos.	7. Stone	11.	2. Typical	6.	9. None
4. Asbestos	8. Concrete	12.	3. Old Type		
Roof Surface		Bath(s) Style		1. Modern	4. Obsolete
1. Asphalt	4. Compost	7.	2. Typical	5.	8.
2. Slate	5. Wood	8.	3. Old Type	6.	9. None
3. Metal	6. Other	9.	SF Masonry Trim		
SF Masonry Trim		# Rooms		Econ. % Good	
OPEN-3-CUSTOM		# Bedrooms		1. Poor	
OPEN-4-CUSTOM		# Full Baths		2. Fair	
Year Built		# Addn Fixtures		3. Avg.	
Year Remodeled		# Full Baths		Phys. % Good	
Foundation		# Fireplaces		Functional Code	
1. Concrete	4. Wood	7.	1. Incomp	4. Delap	7.
2. C Block	5. Slab	8.	2. O-Built	5.	8.
3. Br/Stone	6. Piers	9.	3. Fire	6.	9. None
Basement		Econ. % Good		Economic Code	
1. 1/4 Bmt	4. Full Bmt	7.	0. None	9. None	7.
2. 1/2 Bmt	5. None	8.	1. Location	5.	8.
3. 3/4 Bmt	6.	9. None	2. Encroach	6.	9.
Bsm't Gar # Cars		Entrance Code 0		1. Interior	
Wet Basement		1. Interior		4. Vacant	
1. Dry	4.	7.	2. Refusal	5. Estimate	8.
2. Damp	5.	8.	3. Informed	6.	9.
3. Wet	6.	9.	Information Code 0		
		1. Owner		4. Agent	7.
		2. Relative		5. Estimate	8.
		3. Tenant		6. Other	9.

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Date Inspected

Additions, Outbuildings & Improvements

Type	Year	Units	Grade	Cond	Phys.	Funct.	Sound Value	
920 Ritz Craftsman	1988	14x74	0 0	4	0	% 100	%	1. One Story Fram
22 Encl Frame Porch	0	60	3 100	4	0	% 100	%	2. Two Story Fram
22 Encl Frame Porch	2001	80	3 90	3	0	% 100	%	3. Three Story Fr
81 Storage Shed	0					% 400		4. 1 & 1/2 Story
						%		5. 1 & 3/4 Story
						%		6. 2 & 1/2 Story
						%		21. Open Frame Por
						%		22. Encl Frame Por
						%		23. Frame Garage
						%		24. Frame Shed
						%		25. Frame Bay Wind
						%		26. 15Ft Overhang
						%		27. Unfin Basement
						%		28. Unfinished Att
						%		29. Finished Attic



Veazie
12:35 PM

**RE Account 945 Detail
as of 02/10/2011**

02/10/2011
Page 1

Name: Brown, Sarah PIP
Location: 1490 State St trlr 21
Acreage: 0 Map/Lot: 10 06 21
Book Page:

Land: 0
Building: 17,100
Exempt 9,500
Total: 7,600

2010-1 Period Due:
1) 146.52

Ref1: 70 12X60 Unknown
Mailing 1490 State St trlr 21
Address: Veazie ME 04401-8500

Year	Date	Reference	P	C	Principal	Interest	Costs	Total
2010-1	R				142.88	3.64	0.00	146.52
2009-1	L *				334.40	41.06	34.54	410.00
2008-1	L *				342.00	83.74	17.08	442.82
2007-1	L *				365.38	141.12	35.18	541.68
2006-1	L *				0.00	0.00	0.00	0.00
2005-1	L *				0.00	0.00	0.00	0.00
2004-1	R				0.00	0.00	0.00	0.00
2003-1	S				0.00	0.00	0.00	0.00
2002-1	R				0.00	0.00	0.00	0.00
2001-1	R				0.00	0.00	0.00	0.00
Account Totals as of 02/10/2011					1,184.66	269.56	86.80	1,541.02

Per Diem

2010-1	0.0274
2009-1	0.0825
2008-1	0.0937
2007-1	0.1201
Total	0.3237

Exempt Codes: 10 - Homestead

Note: Payments will be reflected as positive values and charges to the account will be represented as negative values.

Veazie
12:41 PM

**RE Account 346 Detail
as of 02/10/2011**

02/10/2011
Page 1

Name: Johnstone, Tracy
Location: 5 Veazie St.
Acreage: 0.37 Map/Lot: 07 46
Book Page: B10670P187

Land: 25,400
Building: 72,600
Exempt 0
Total: 98,000

2010-1 Period Due:
1) 1,889.39

Ref1: B10670P187
Mailing
Address: 5 Veazie St
Veazie ME 04401-7050

Year	Date	Reference	P	C	Principal	Interest	Costs	Total
2010-1	R				1,842.40	46.99	0.00	1,889.39
2009-1	L *				1,862.00	228.64	34.54	2,125.18
2008-1	L *				1,862.00	455.91	17.08	2,334.99
2007-1	R				0.00	0.00	0.00	0.00
2006-1	R				0.00	0.00	0.00	0.00
2005-1	R				0.00	0.00	0.00	0.00
2004-1	R				0.00	0.00	0.00	0.00
2003-1	S				0.00	0.00	0.00	0.00
2002-1	R				0.00	0.00	0.00	0.00
2001-1	R				0.00	0.00	0.00	0.00
2000-1	R				0.00	0.00	0.00	0.00
1999-1	R				0.00	0.00	0.00	0.00
1998-1	R				0.00	0.00	0.00	0.00
Account Totals as of 02/10/2011					5,566.40	731.54	51.62	6,349.56

Per Diem

2010-1	0.3533
2009-1	0.4591
2008-1	0.5101
Total	1.3226

Note: Payments will be reflected as positive values and charges to the account will be represented as negative values.

Map Lot 07 46

Account 346

Location 5 Veazie St.

Veazie

Card 1 Of 1 2/10/2011

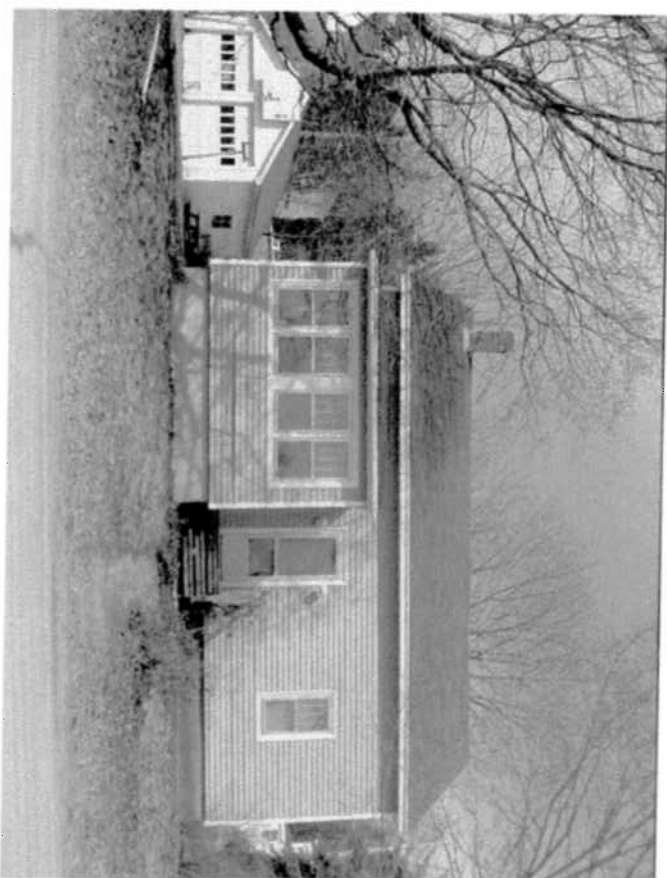
Building Style 1 Conventional	SF Bsm't Living 0	Fin Bsm't Grade 0 0	Layout 1 Typical
1 Conv. 5 Garrison 9 Other			1 Typical 4. 7.
2 Ranch 6 Split 10.	OPEN-5-CUSTOMIZE 0		2 Inadeq 5. 8.
3 R Ranch 7 Contemp 11.	Heat Type 100% 5 Forced Warm Air		3 Horrid 6. 9.
4 Cape 8 Dutch 12.	1.HWBB 5 PWA 9.No Heat	Attic 9 None	1.1/4 Fin 4.Full Fin 7.
Dwelling Units 1	2.HWCI 6.GrayWA 10.	2.1/2 Fin 5.F/Stair 8.	3.3/4 Fin 6. 9.None
Other Units 0	3.H Pump 7.Electric 11.		
Stories 1 One Story	4.Steam 8.F/Wall 12.	Insulation 1 Full	
1.1 4.1.5 7.	Cool Type 0% 9 None	1.Full 4.Minimal 7.	
2.2 5.1.75 8.	1.Refrig 4.W&C Air 7.	2.Heavy 5. 8.	
3.3 6.2.5 9.	2.Exapor 5. 8.	3.Capped 6. 9.None	
Exterior Walls 0	3.H Pump 6. 9.None	Unfinished % 0%	
1.Wood 5.Stucco 9 Other	Kitchen Style 2 Typical	Grade & Factor 3 Average 100%	
2.Vin/AI 6.Brck 10.	1.Modern 4.Obsolete 7.	1.E Grade 4.B Grade 7.	
3.Compos. 7.Stone 11.	2.Typical 5. 8.	2.D Grade 5.A Grade 8.SC Grade	
4.Asbestos 8.Concrete 12.	3.Old Type 6. 9.None	3.C Grade 6.AA Grade 9.Same	
Roof Surface 1 Asphalt Shingles	Bath(s) Style 2 Typical Bath(s)	SQFT (Footprint) 864	
1.Asphalt 4.Compost 7.	1.Modern 4.Obsolete 7.	Condition 3 Below Average	
2.Slate 5.Wood 8.	2.Typical 5. 8.	1.Poor 4.Avg 7.V G	
3.Metal 6.Other 9.	3.Old Type 6. 9.None	2.Fair 5.Avg+ 8.Exc	
SF Masonry Trim 0	# Rooms 6	3.Avg- 6.Good 9.Same	
OPEN-3-CUSTOM 0	# Bedrooms 3	Phys. % Good 0%	
OPEN-4-CUSTOM 0	# Full Baths 1	Functional Code 9 None	
Year Built 1963	# Half Baths 0	Phys. % Good 0%	
Year Remodeled 0	# Addn Fixtures 0	Functional Code 9 None	
Foundation 1 Concrete	# Fireplaces 0	Econ. % Good 100%	
1.Concrete 4.Wood 7.		Economic Code None	
2.C Block 5.Slab 8.		0.None 9.None 7.	
3.Br/Stone 6.Piers 9.		1.Location 5. 8.	
Basement 4 Full Basement		2.Encroach 6. 9.	
1.1/4 Bmt 4.Full Bmt 7.		Entrance Code 0	
2.1/2 Bmt 5.None 8.		1.Interior 4.Vacant 7.	
3.3/4 Bmt 6. 9.None		2.Refusal 5.Estimate 8.	
Bsm't Gar # Cars 0		3.Informed 6. 9.	
Wet Basement 1 Dry Basement		Information Code 0	
1.Dry 4. 7.		1.Owner 4.Agent 7.	
2.Damp 5. 8.		2.Relative 5.Estimate 8.	
3.Wet 6. 9.		3.Tenant 6.Other 9.	

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Date Inspected

Additions, Outbuildings & Improvements

Type	Year	Units	Grade	Cond	Phys.	Funct.	Sound Value
					%	%	
					%	%	1.One Story Fram
					%	%	2.Two Story Fram
					%	%	3.Three Story Fr
					%	%	4.1 & 1/2 Story
					%	%	5.1 & 3/4 Story
					%	%	6.2 & 1/2 Story
					%	%	21.Open Frame Por
					%	%	22.End Frame Por
					%	%	23.Frame Garage
					%	%	24.Frame Shed
					%	%	25.Frame Bay Wind
					%	%	26.15ft Overhang
					%	%	27.Unfin Basement
					%	%	28.Unfinished Att
					%	%	29.Finished Attic



Account	Name	Total
606	Andrej, Anna	398.38
709	Babin, Parker, et al	831.34
111	Barnett, Tom	296.09
963	Berry, Ian	248.64
707	Bishop, Jason & Marcie	3,638.31
884	Breau, Rebecca	602.43
1038	Brickford, Andrew	307.48
945	Brown, Sarah PIP	1,518.38
82	Brown, Sharon	387.20
46	Bryant, Shawn	159.43
729	Cates, Lauren & Nick PIP	216.64
683	Chapman, Veronica and Chapman, Rick	9.49
120	Chase, Laura and Chase, Jerome	683.84
796	Cobb, Tracy	3,651.80
854	Coulombe, Robert	204.99
899	Lawler, Henry	94.84
150	Cronkite, Ronald	530.58
653	Crowe, C. W.	23,761.69
148	Crowe, Clyde	5,727.78
249	Crowe, Clyde	6,011.24
149	Cunningham, Robert	102.49
157	Davies, Susan E	493.28
583	Deschesne, Scott	2,102.25
271	Dieuveuil, Harry & Jennifer	3,608.15
524	Dubay, Dale and Lawlis, Robert	8,549.55
944	Dugas, Roger & Duarte, Rhonda	100.60
650	Dye, Jeanine	425.81
902	Farrell, Mike & Fonda	296.09
173	Grandchamp, Dianne	6,033.83
491	Graves, Gerard	1,169.59
117	Grover, Jeri L.	1,882.84
265	Guerin, Maureen	2,140.97
964	Ham, Martin	421.81
624	Hambrock, Thomas and Hambrock, Michael	787.68
710	Hartwell, William	156.49
640	Hashmi Bros, INC.	2,979.60
893	Heath, Scott & Kathi	499.18
1028	Hester, James	157.54
316	Horvath, John and Horvath, Laura	1,305.84
858	Huston, Jeffrey	85.41
885	Johnson, Donald and Johnson, Mary	218.27
346	Johnstone, Tracy	6,262.74
359	Jordan, Herbert	471.16
960	King, Stephen	307.48
309	Knowlton, Percival and Knowlton, Linda	950.58
962	Lemerich, Jacki & Barbara	133.05
145	Levesque, Anthony	140.45
1032	Lindsay, Ryan	362.17
412	Lunt, Brian	1,444.40
286	Macdonald, Mary Lee	225.87
7	MacGregor, Ian	216.38

Account	Name	Total
906	Malo, Ben	37.96
900	McLaughlin, Kim	473.22
881	McLeod, Scott	493.80
458	Monroe, Michael and Monroe, Cheryl	2,262.45
989	Morrisette, Debra	438.44
469	Myers, Alvin R Sr ET AL	710.13
471	Myers, Jay Kevin & Myers, Alvin Jr	13.29
470	Myers, Jay Kevin & Myers, Alvin Jr and Myers, Becky	32.27
668	Osborne, Rebecca	591.78
861	Parent, Irma	28.47
977	Parker, Jonathan	3,146.65
504	Patterson, Harold Jr and Patterson, Sherrie	1,719.61
333	Patterson, Sherrie	628.25
552	Perkins, Joan L	2,148.57
522	Peters, Clarence Jr and Peters, Norma	191.78
1027	Pinkham, Dorin and Pinkham Kevin	206.89
733	Raquet, Janine	1,810.37
818	Seeley, Robert	787.78
971	Sheldon, Inc.	876.89
630	Smith, Lloyd and Smith, Sheri	3,393.67
947	Smith, Sherry	149.94
629	Spack, Heather	273.32
984	Strout, Sheldon	18.98
494	Trafton, John	47.45
270	Tucker, Diane	1,425.42
691	Veazie Salmon Club	838.93
692	Veazie Salmon Club	121.47
901	Walker, Christopher and Jennifer Munn	213.87
594	Watson, Mark and Watson, Edith	1,326.72
990	Winslow, Dana and Winslow, Mary	89.21
983	Holand, Delores	36.06
898	Young, Tim & Marcia	130.96

Total for 83 accounts: \$117,976.72

ITEM # 86

Regional School Unit No. 26

REPORT ON FINANCIAL STATEMENTS
(with required and other supplementary information)

For the Year Ended June 30, 2010

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Email: bta@btacpa.com

Independent Auditor's Report

Board of Directors
Regional School Unit No. 26

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 26 as of and for the year ended June 30, 2010, which collectively comprise the Unit's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Regional School Unit No. 26's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 26, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2011, on our consideration of Regional School Unit No. 26's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 6 through 14 and 34 through 35 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Regional School Unit No. 26's financial statements as a whole. The other supplementary information described in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bentley Whitham & Associates

Bangor, Maine
February 1, 2011

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

As management of the Regional School Unit No. 26, we offer readers of the Unit's financial statements this narrative overview and analysis of the financial activities of the Unit for the fiscal year ended June 30, 2010. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. The data is reported in a manner designed to fairly present the Unit's financial position, and the results of operations of the various funds of the Unit. All disclosures necessary to enable the reader to gain accurate understanding of the Unit's financial activities have been included.

This report covers all funds administered by the Unit in connection with its responsibility in providing educational services. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the financial statements.

FINANCIAL INFORMATION

The Regional School Unit No. 26 was formed on July 1, 2009 from the consolidation of three former school departments of the Town of Glenburn, Orono and Veazie under new State of Maine legislation. Most of the school departments' assets and debt were transferred to the new Unit as of July 1, 2009 comprising \$4,374,237 of beginning balances on the Statement 2 and \$1,757,453 on Statement 4.

The Unit Administration is responsible for establishing and maintaining an accounting and internal control structure designed to ensure that the physical, data, informational, intellectual and human resource assets of the Unit are protected from loss, theft and misuse, and to ensure that adequate accounting information is maintained and reported in conformity with generally accepted accounting principles (GAAP). Additionally, management strives to ensure that these assets are put to good and effective use.

FINANCIAL HIGHLIGHTS

- The total balance of the Unit's cash and cash equivalents at June 30, 2010 was \$3,839,605.
- Under the government-wide basis of reporting, the Unit's total net assets increased by \$1,627,768.
- The fund balances as reported on the Unit's fund financial statements increased by \$1,451,027 to \$3,208,480.
- On a budget basis, the Unit's revenues exceeded its expenditures by \$1,505,876. The Unit originally planned for a budget deficiency of \$158,710. This is a positive budget variance of \$1,818,265 and increases the budget-basis fund balance, which can be used to fund future expenditures.

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Unit's basic financial statements. The Unit's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Unit's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Unit's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Unit is improving or deteriorating.

The statement of activities presents information showing how the Unit's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as earned but unused compensated absences.

The government-wide financial statements outline functions of the Unit that are principally supported by assessments and intergovernmental revenues (governmental activities). The governmental activities of the Unit include instruction, support services, operation and maintenance of plant, transportation, administration, and adult education. Fixed assets and related debt is also supported by assessments and intergovernmental revenues. The government-wide financial statements can be found on pages 15 - 16 of this report.

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 Unit, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Unit can be divided into two categories: governmental funds and fiduciary funds.

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Unit's near-term financing requirements.

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 government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Unit's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Capital assets and depreciation are not included in the governmental funds financial statements.

The Unit adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This statement is included in the required supplementary information portion of the financial statements. The basic governmental fund financial statements can be found on pages 17-20 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the Unit cannot use these funds to finance its operations. The Unit uses an agency fund to account for resources held for student groups. The basic fiduciary fund financial statement can be found on pages 21-22 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23-33 of this report.

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning financial performance (budget and actual with budget to GAAP differences and budget and actual with variances). Required supplementary information can be found on pages 34-35 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the required supplementary information. Combining and individual statements and schedules and budgetary comparison information can be found on pages 36-37 and 38-40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Unit, assets exceeded liabilities by \$6,002,005 as of June 30, 2010.

The largest portion of the Unit's net assets reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, and furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The Unit uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the Unit's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Unit's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Assets for the Period Ending June 30, 2010

The Unit is unable to provide comparative information, but looks forward to providing it next year.

The current year's financial statements are as follows:

	<u>2010</u>
Current and other assets	\$ 4,202,716
Capital assets	<u>3,682,781</u>
Total Assets	7,885,497
 Current liabilities	 994,236
Non-current liabilities	<u>889,256</u>
Total Liabilities	1,883,492

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Assets for the Period Ending June 30, 2010 (Continued)

	<u>2010</u>
Net Assets	
Investment in capital assets (net of debt)	\$ 2,793,525
Restricted	1,511,180
Unrestricted	<u>1,697,300</u>
Total Net Assets	<u>\$ 6,002,005</u>

The following are significant transactions that have had an impact on the Statement of Net Assets:

- Much of the Unit's bonded debt is paid by the State of Maine. The principal portion of these debt payments made on behalf of the Unit is recorded as general revenue from state sources and totaled \$377,035 for the year ended June 30, 2010.
- The Unit recorded depreciation expense of \$185,430 for they year ended June 30, 2010. The Unit also recorded interest expense of \$151,311 the year ended June 30, 2010.

The following table presents a summary of the Unit's operations for the fiscal year ended June 30, 2010.

	<u>2010</u>
REVENUES	
Charges for services and other	\$ 1,083,647
Operating grants and contributions	3,187,812
General revenues	
Local assessments	10,883,253
Grants and contributions not restricted to specific programs	7,723,103
Interest income	2,851
Other revenues	<u>4,039</u>
Total Revenues	<u>22,884,705</u>

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Assets for the Period Ending June 30, 2010 (Continued)

	<u>2010</u>
EXPENSES	
Regular instruction	\$ 8,820,749
Special education	2,793,716
Other instruction	543,181
Career and technical education	229,827
Student and staff support	1,128,695
System administration	632,119
School administration	996,998
Student transportation	718,081
Operations, net of debt service	1,637,020
Federal, state and local grant expense	1,342,959
On-behalf payments – State of Maine	1,398,388
Food service	481,575
Adult education	113,168
Principal paid on-behalf of Veazie	269,150
Interest on long-term debt	151,311
Total Expenses	<u>21,256,937</u>
Change in net assets	1,627,768
Net assets, beginning of year	<u>4,374,237</u>
Net assets, end of year	<u>\$ 6,002,005</u>

Analysis of the Unit's Operations

Overall the Unit had a total increase in net assets of \$1,627,768 from current year operations.

Total revenue include general revenues such as local assessments, State aid to education, and other revenue that is not program specific or charges for services, such as federal grants for special education and fees for hot lunch and adult education.

General revenues for the year ended June 30, 2010 totaled \$18,613,246. Of this amount, \$10,883,253 was from local assessments paid by the Town of Glenburn, Orono and Veazie, Maine and \$7,723,103 was from the State of Maine. In addition \$6,890 came from interest and other miscellaneous sources.

During the year, the Unit received program specific operating grants and contributions totaling \$3,187,812. These grants and contributions represent resources that are restricted for use in particular programs and are meant to directly offset the Unit's costs for these various programs. Most of these grants and contributions come from state and federal sources.

**Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Analysis of the Unit's Operations (Continued)

Expenses of governmental activities include depreciation expense of \$185,430. Depreciation expense has been allocated and is included in the various function/program expenses of the Unit.

Charges for services and other represent revenues earned by the Unit in return for services provided by the Unit or the use of the Unit's property. These revenues predominately consist of adult education fees, school lunch revenues and tuition. Charges for services totaled \$1,083,647 for the year ended June 30, 2010.

FINANCIAL ANALYSIS OF THE UNIT'S FUNDS

The focus of the Unit's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Unit's financing requirements. As the Unit completed the year, its governmental funds reported a combined fund balance of \$3,208,480, \$1,451,027 higher than the beginning balances.

Revenues include intergovernmental revenue of \$9,542,055 and local assessments totaling \$10,923,253. On-behalf payments amounted to \$1,398,388. Additional information on these "on-behalf" payments can be found in notes to the basic financial statements.

Charges for services contributed \$985,514 in total revenue during the year. Of this amount, \$243,462 represents revenues generated from the food service program.

Total governmental fund expenditures for the year were \$21,566,600. The Unit's debt service totaled \$615,029 for the year, which includes payments of \$377,035 of payments on-behalf of the Town of Veazie's debt and paid directly by the State on behalf of the Unit and is included in the intergovernmental revenues noted above.

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The following summarizes capital assets at year end:

	<u>2010</u>
Land	\$ 138,750
Buildings	4,910,275
Equipment	1,159,414
Vehicles	38,350
Land Improvements	14,200
Construction in progress	<u>68,576</u>
Total capital assets	6,329,565
Accumulated depreciation	<u>(2,646,784)</u>
Capital assets, net	<u>\$ 3,682,781</u>

Additional information on the Unit's capital assets can be found in Note 3 on page 28 of this report.

The reasons for a \$282,724 increase in Capital Assets are:

1. \$68,576 in window replacements.
2. \$214,148 for new copiers, tractor and bleachers.

Debt Administration

The Unit's debt consists of bonds and several capital leases from various lending sources.

	<u>2010</u>
Bonds payable	\$761,795
Capital lease obligations	<u>127,461</u>
Total	<u>\$889,256</u>

Regional School Unit No. 26
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)
June 30, 2010

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Unit recognized revenues and expenditures on a budget basis that differs from how revenues and expenditures should be recognized under generally accepted accounting principles (GAAP). The difference between the two methods is as follows:

- GAAP basis revenues and expenditures include teachers' retirement plan payments made by the state on behalf of the Unit. The Unit's budget basis revenues and expenditures do not include these revenues and expenditures.

During the year, budgeted revenues exceeded actual revenues – budget basis by a net variance of \$173,688. Shortfalls in revenues expected from the State created a deficit as well as an error in calculation of assessments.

Actual expenditures - budget basis was less than budgeted expenditures by \$1,937,203.

REQUEST FOR INFORMATION

The financial report is designed to provide information to the readers of the report with a general overview of the Unit's finances. If you have questions about this report or need any additional information, contact the Superintendent's Office at 983 Hudson Rd, Glenburn, Maine, 04401 or call (207) 942-4405.

Regional School Unit No. 26
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,839,605
Due from other governments	348,131
Inventories	14,980
Capital assets, net of accumulated depreciation	<u>3,682,781</u>
Total assets	<u>7,885,497</u>
LIABILITIES	
Accounts payable and accrued expenses	108,064
Accrued wages	886,172
Long-term liabilities	
Due within one year	
Bonds payable	163,515
Capital leases payable	27,097
Due in more than one year	
Bonds payable	598,280
Capital leases payable	<u>100,364</u>
Total liabilities	<u>1,883,492</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,793,525
Restricted for	
Future assessments	1,511,180
Unrestricted	<u>1,697,300</u>
Total net assets	<u>\$ 6,002,005</u>

See accompanying notes to basic financial statements.

Regional School Unit No. 26
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services and Other	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Regular instruction	\$ 8,820,749	\$ 705,760	\$ -	\$ -	\$ (8,114,989)
Special education	2,793,716	36,292	310,888	-	(2,446,536)
Other instruction	543,181	-	-	-	(543,181)
Career and technical education	229,827	-	-	-	(229,827)
Student and staff support	1,128,695	-	14,071	-	(1,114,624)
System administration	632,119	-	-	-	(632,119)
School administration	996,998	-	-	-	(996,998)
Student transportation	718,081	-	-	-	(718,081)
Operations, less debt service	1,637,020	-	-	-	(1,637,020)
Federal, state and local grant expense	1,342,959	-	1,269,758	-	(73,201)
Adult education	113,168	60,224	80,696	-	27,752
On-behalf payments - State of Maine	1,398,388	-	1,398,388	-	-
Food service	481,575	281,371	114,011	-	(86,193)
Interest and other charges	420,461	-	-	-	(420,461)
Total governmental activities	\$ 21,256,937	\$ 1,083,647	\$ 3,187,812	\$ -	(16,985,478)
General revenues					
Assessments					
Assessments, levied for general purposes					
					10,883,253
State subsidy					7,723,103
Unrestricted interest earnings					2,851
Miscellaneous					4,039
Total general revenues					18,613,246
Change in net assets					1,627,768
NET ASSETS - BEGINNING					4,374,237
NET ASSETS - ENDING					\$ 6,002,005

See accompanying notes to basic financial statements.

Regional School Unit No. 26
Balance Sheet - Governmental Funds
June 30, 2010

	<u>General Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,839,605	\$ -	\$ 3,839,605
Due from other funds	62,493	14,370	76,863
Due from other governments	115,520	232,611	348,131
Inventories	-	14,980	14,980
	<u>-</u>	<u>14,980</u>	<u>14,980</u>
Total assets	<u>\$ 4,017,618</u>	<u>\$ 261,961</u>	<u>\$ 4,279,579</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	\$ 98,606	\$ -	\$ 98,606
Accrued summer teacher pay	876,980	9,192	886,172
Due to other governments	9,458	-	9,458
Due to other funds	13,179	63,684	76,863
	<u>13,179</u>	<u>63,684</u>	<u>76,863</u>
Total liabilities	<u>998,223</u>	<u>72,876</u>	<u>1,071,099</u>
Fund balances			
Reserved for			
Future assessments	1,511,180	-	1,511,180
Unreserved	1,508,215	-	1,508,215
Reported in non-major funds			
Special revenue fund	-	149,082	149,082
School lunch fund	-	40,003	40,003
	<u>-</u>	<u>40,003</u>	<u>40,003</u>
Total fund balances	<u>3,019,395</u>	<u>189,085</u>	<u>3,208,480</u>
Total liabilities and fund balances	<u>\$ 4,017,618</u>	<u>\$ 261,961</u>	<u>\$ 4,279,579</u>

See accompanying notes to basic financial statements.

Regional School Unit No. 26
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Assets
June 30, 2010

Total fund balance, governmental funds	\$	3,208,480
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

Capital assets, net of accumulated depreciation		3,682,781
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Some liabilities, (such as Notes Payable, Capital Lease Payable, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

Bonds and capital leases		(889,256)
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Net Assets of Governmental Activities in the Statement of Net Assets	\$	<u>6,002,005</u>
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Regional School Unit No. 26
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2010

	<u>General Fund</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
REVENUES			
Local assessments	\$ 10,883,253	\$ 40,000	\$ 10,923,253
Intergovernmental revenue	8,038,031	1,504,024	9,542,055
On-behalf payments - State of Maine	1,398,388	-	1,398,388
Charges for services	742,052	243,462	985,514
Interest	2,851	-	2,851
Donations	-	1,325	1,325
Other	-	31,319	31,319
	<u>21,064,575</u>	<u>1,820,130</u>	<u>22,884,705</u>
Total revenues			
EXPENDITURES			
Current			
Regular instruction	8,856,804	-	8,856,804
Special education	2,860,667	-	2,860,667
Other instruction	472,697	-	472,697
Career and technical education	229,827	-	229,827
Student and staff support	1,095,438	-	1,095,438
System administration	626,376	-	626,376
School administration	928,829	-	928,829
Student transportation	717,044	-	717,044
Operations, less debt service	1,684,600	-	1,684,600
Federal, state and local grant expense	-	1,295,335	1,295,335
Adult education	-	116,579	116,579
On-behalf payments - State of Maine	1,398,388	-	1,398,388
Food service	-	481,575	481,575
Debt service			
Principal - other	194,568	-	194,568
Principal paid on-behalf of Town of Veazie	269,150	-	269,150
Interest and other charges	151,311	-	151,311
Capital outlay	132,922	54,490	187,412
	<u>19,618,621</u>	<u>1,947,979</u>	<u>21,566,600</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>1,445,954</u>	<u>(127,849)</u>	<u>1,318,105</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	132,922	-	132,922
Transfers in	-	73,000	73,000
Transfers out	(73,000)	-	(73,000)
	<u>59,922</u>	<u>73,000</u>	<u>132,922</u>
Total other financing sources (uses)			
Net change in fund balances	1,505,876	(54,849)	1,451,027
FUND BALANCES - BEGINNING	<u>1,513,519</u>	<u>243,934</u>	<u>1,757,453</u>
FUND BALANCES - ENDING	<u>\$ 3,019,395</u>	<u>\$ 189,085</u>	<u>\$ 3,208,480</u>

See accompanying notes to basic financial statements.

Regional School Unit No. 26
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, 2010

Net change in fund balances - total governmental funds: \$ 1,451,027

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlays	\$ 282,724	
Depreciation expense	<u>(185,430)</u>	97,294

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Debt issued	(132,922)	
Principal repaid	<u>212,369</u>	79,447

Change in net assets of governmental activities	<u>\$ 1,627,768</u>
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Regional School Unit No. 26
Statement of Fiduciary Net Assets - Fiduciary Funds
June 30, 2010

	<u>Private Purpose Trust Funds</u>	<u>Student Activity Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 20,600	\$ 89,875	\$ 110,475
LIABILITIES			
Due to school groups	<u>-</u>	<u>89,875</u>	<u>89,875</u>
NET ASSETS			
Held in trust for scholarships	<u>\$ 20,600</u>	<u>\$ -</u>	<u>\$ 20,600</u>

See accompanying notes to basic financial statements.

Regional School Unit No. 26
Statement of Changes In Fiduciary Net Assets -
Fiduciary Funds
For the Year Ended June 30, 2010

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Interest	\$ 215
Contributions	<u>12,142</u>
Total additions	12,357
DEDUCTIONS	
Scholarship expenses	<u>449</u>
Change in net assets	11,908
NET ASSETS - BEGINNING	<u>8,692</u>
NET ASSETS - ENDING	<u><u>\$ 20,600</u></u>

See accompanying notes to basic financial statements.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Regional School Unit No. 26 provides for educational services for the Towns of Glenburn, Orono and Veazie.

The accounting and reporting policies of the Unit relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board, when applicable. As allowed in section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Unit has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the Unit are described below.

Financial Reporting Entity

The Unit was organized and incorporated on July 1, 2009 as a Regional School Unit as defined by Maine State Statutes combining the school departments of Glenburn, Orono and Veazie.

In evaluating the Unit as a reporting entity, management has addressed all potential component units for which the Unit may or may not be financially accountable and, as such, be includable within the Unit's financial statements. In accordance with GASB Statement No. 1, the Unit (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the Unit. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, there are no other entities within the Unit that should be included as part of these financial statements.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements report information of all activities of the Unit, except for fiduciary funds. Governmental activities, which normally are supported by assessments and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Unit has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program; and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Assessments and other items not properly included among program revenues are reported instead as general revenues.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements

The Unit segregates transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Unit has presented the following major fund:

General Fund

The General Fund is the primary operating fund of the Unit and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Fiduciary Funds (not included in the government-wide statements)

The Unit has presented the following fiduciary funds:

Private Purpose Funds

Private purpose funds are funds held by the Unit in a trustee capacity and are accounted for in essentially the same manner as a proprietary fund. Capital maintenance of private purpose funds is critical.

Agency Funds

Agency funds accounts for assets held by the Unit in a purely custodial capacity and includes student activity funds. Since agency funds are custodial in nature, they do not involve the measurement of results of operations.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities, whether current or non-current, are included on the statement of net assets and the operating statements present increases, revenues, and decreases, expenses, in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Agency funds are also presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are local assessments and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

Budgets and Budgetary Accounting

The Unit's general fund operating budget is approved by referendum in June for the upcoming fiscal year. Assessments are levied against the member towns after the budget is adopted.

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 Public Employees Retirement System for teachers and certain other school employees are reported as offsetting revenues and expenditures of the general fund in accordance with generally accepted accounting principles.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

Appropriations for the general fund lapse at the end of the fiscal year.

Formal budgets are not adopted for the other funds. Grant procedures for many of the revenues included in the Special Revenue Funds require submission of a budget. However, such budgets are not subject to formal adoption procedures and are normally prepared based upon the grant period which does not necessarily correspond with the Unit's fiscal year.

Deposits

For purposes of the statement of net assets, demand deposits include all checking accounts of the Unit. Additional information is presented in Note 2.

Inventories

Inventories of food and supplies in the food service program are valued at the lower of cost or market value using the first-in, first-out method.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the governmental funds.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Improvements	25-100 years
Machinery and Equipment	3-30 years

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The Unit has no assets that it considers to be infrastructure. Assets such as parking lots are capitalized as improvements in accordance with the Unit's capitalization policy.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term Debt

The accounting treatment of long-term debt 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 debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds and capital leases.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Compensated Absences, Summer Teacher Pay and Other Absences

Teachers are generally paid their annual salaries in twenty-six payments each fiscal year. At June 30th each year the teachers have earned the salaries that they will receive in the following months of July and August. The financial statements reflect the liability that has been earned.

Vacation time is non-vesting. Sick leave can accrue and carry year to year for all employees to specified maximums. Governmental funds report only matured compensated absences payable to currently terminating employees.

Nature and Purpose of Reservations of Fund Equity

The Unit records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserve listed in the balance sheet and statement of net assets.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested 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 assets are reported as restricted when there are limitations imposed on their 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.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

2. DEPOSITS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the Unit's deposits may not be returned to it. The Unit does not have a deposit policy for custodial credit risk. As of June 30, 2010, the Unit reported deposits of \$3,950,080 with bank balances of \$4,419,586. Of the Unit's total bank balance of \$4,419,586, \$0 was exposed to custodial credit risk. The balance of \$4,419,586 was insured by FDIC insurance or collateralized.

Deposits have been reported as follows:

Reported in governmental funds	\$ 3,839,605
Reported in agency funds	89,875
Reported in trust funds	<u>20,600</u>
Total deposits	<u>\$ 3,950,080</u>

3. CAPITAL ASSETS

Governmental activities capital asset activity for the year ended June 30, 2010 is as follows:

	Transferred Balances as of July 1, 2009	Additions	Retire- ments	Balance June 30, 2010
<i>Capital assets not being depreciated</i>				
Land	\$ 138,750	\$ -	\$ -	\$ 138,750
Construction in progress	<u>-</u>	<u>68,576</u>	<u>-</u>	<u>68,576</u>
Total capital assets not being depreciated	<u>138,750</u>	<u>68,576</u>	<u>-</u>	<u>207,326</u>
<i>Capital assets being depreciated</i>				
Buildings	4,910,275	-	-	4,910,275
Equipment	945,266	214,148	-	1,159,414
Vehicles	38,350	-	-	38,350
Land improvements	<u>14,200</u>	<u>-</u>	<u>-</u>	<u>14,200</u>
Total capital assets being depreciated	<u>5,908,091</u>	<u>214,148</u>	<u>-</u>	<u>6,122,239</u>
<i>Less accumulated depreciation for</i>				
Buildings	(1,753,548)	(112,042)	-	(1,865,590)
Equipment	(676,653)	(69,080)	-	(745,733)
Vehicles	(30,680)	(3,835)	-	(34,515)
Land improvements	<u>(473)</u>	<u>(473)</u>	<u>-</u>	<u>(946)</u>
Total accumulated depreciation	<u>(2,461,354)</u>	<u>(185,430)</u>	<u>-</u>	<u>(2,646,784)</u>
Total capital assets being depreciated, net	<u>3,446,737</u>	<u>28,718</u>	<u>-</u>	<u>3,475,455</u>
Capital assets, net	<u>\$ 3,585,487</u>	<u>\$ 97,294</u>	<u>\$ -</u>	<u>\$ 3,682,781</u>

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

3. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental activities as follows:

School administration	\$ 68,169
Transportation	3,835
Plant operations	<u>113,426</u>
Total depreciation expense	<u>\$185,430</u>

4. LONG-TERM DEBT

Obligations under capital leases

The Unit is the lessee of copiers and a tractor under capital leases expiring in 2012 and 2015. The liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset acquired.

Minimum future lease payments under capital leases as of June 30, 2010 are:

2011	\$ 31,626
2012	31,627
2013	26,120
2014	26,120
2015	<u>26,120</u>
	141,613
Less amount representing interest	<u>14,152</u>
Present value of minimum lease payments	<u>\$127,461</u>

The amount of principal due within one year for the above capital leases is \$27,097.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

4. LONG-TERM DEBT (CONTINUED)

General obligation bonds payable

The following is a summary of general obligation bonds payable transactions of the Unit for the year ended June 30, 2010.

	Transferred Balances as of July 1, 2009	Bonds (Retired)	Balance June 30, 2010
<i>Maine Municipal Bond Bank</i>			
1997 general obligation bonds due in annual principal installments of \$66,250 through November, 2017; interest due annually at rates from 5.276% to 5.776%.	\$596,250	\$ (66,250)	\$530,000
Orono school renovation project bonds due in annual principal installments of \$3,053 through August 2009; 0% interest.	3,053	(3,053)	-
Glenburn school renovation project bonds due in annual principal installments of \$30,000 through July 2010; 0% interest.	60,000	(30,000)	30,000
2002 general obligation bonds due in annual principal installments of \$67,265 through November 2012; interest due annually at rates from 3.009% to 4.384%.	269,060	(67,265)	201,795
2004 general obligation bonds due in annual principal installments of \$28,000 through November 2009; interest due annually at 3.019%.	<u>28,000</u>	<u>(28,000)</u>	<u>-</u>
Total general obligation bonds payable	<u>\$956,363</u>	<u>\$(194,568)</u>	<u>\$761,795</u>

Future maturities of general obligation bonds payable are as follows:

Year ended June 30	Principal	Interest	Total
2011	\$163,515	\$ 35,580	\$199,095
2012	133,515	29,089	162,604
2013	133,515	22,471	155,986
2014	66,250	17,220	83,470
2015	66,250	13,393	79,643
2016-2018	<u>198,750</u>	<u>17,220</u>	<u>215,970</u>
	<u>\$761,795</u>	<u>\$134,973</u>	<u>\$896,768</u>

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

4. LONG-TERM DEBT (CONTINUED)

General obligation bonds payable (Continued)

In accordance with Maine law, no municipality shall incur debt for specific purposes in excess of certain percentages of State valuation of such municipality. At June 30, 2010, the Unit was in compliance with these limitations.

5. SHORT-TERM DEBT

The Unit had the following revenue anticipation notes payable transactions to cover various temporary cash flow needs for the year ended June 30, 2010:

	Balance 7/1/09	Additions	(Payments)	Balance 6/30/10
Revenue Anticipation Note	\$ -	\$370,000	\$(370,000)	\$ -

6. INTERFUND TRANSACTIONS

During the course of normal operations the Unit has numerous transactions between funds including expenditures and transfers.

Individual fund interfund receivable and payable balances at June 30, 2010, arising from these transactions were as follows:

	Receivables	Payables	Transfers In	Transfers Out
General fund	\$ 62,493	\$ 13,179	\$ -	\$ 73,000
Nonmajor governmental funds				
Special revenue fund	-	63,684	-	-
School lunch fund	14,370	-	73,000	-
	<u>\$ 76,863</u>	<u>\$ 76,863</u>	<u>\$ 73,000</u>	<u>\$ 73,000</u>

The outstanding balances between funds result mainly from short-term cash flow needs that are funded by the general fund as it hold the Unit's checking account. The transfer of \$73,000 is used to move funds in accordance with budgetary authorizations.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

7. RESTRICTED FOR FUTURE ASSESSMENTS

At June 30, 2010, the Unit maintained restricted fund balances in general fund consisting to be used to reduce future assessments as follows:

Town of Glenburn	\$ 271,475
Town of Orono	687,774
Town of Veazie	<u>551,931</u>
	<u>\$1,511,180</u>

8. DEFINED BENEFIT PENSION PLAN

Maine Public Employees Retirement System

Teachers and Other Qualified Educators

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation established by the Maine State Legislature. The Maine Public Employees Retirement System (MainePERS) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. School employees participating in the plan are eligible for normal retirement upon attaining age 60, provided they have 25 years of credible service. Employees are penalized 2.5% for each year of early retirement. The authority to establish and amend benefit provisions rests with the state legislature. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the teacher's group. That report may be obtained by calling 1-800-451-9800.

Plan members are required to contribute 7.65% of their compensation to the retirement system. The Unit's payroll for employees covered by this group, for the fiscal year ended June 30, 2010, was approximately \$7,864,947. The State of Maine Department of Education is required, by state statute, to contribute the employer contribution which amounts to approximately \$1,398,388 (17.78%) of compensation for the year ended June 30, 2010. There is no contribution required by the Unit except for federally funded teachers for which the Unit contributes 17.78% of their compensation. This cost amounted to \$34,751 for the year ended June 30, 2010, and is chargeable to the applicable grant.

All Other Employees – Plan Description

The Unit has contributed to the MainePERS Participating Local District Consolidated Retirement Plan, a cost-sharing multiple-employer defined benefit plan. The Unit's payroll for the year ended June 30, 2010 for employees covered by this plan was \$523,547.

Benefits vest after five years of service. Beyond the five year period, the employee would receive a certain benefit upon attaining the age of sixty, this benefit would be computed at that time. Employees who retire at or after age 60 with 1 year credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of the average of their highest three year earnings. The MainePERS also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. A copy of the most recent financial report for the plan may be obtained from the MainePERS by calling 1-800-451-9800.

Regional School Unit No. 26
Notes to Basic Financial Statements
June 30, 2010

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All Other Employees – Funding Status and Progress

Participating Unit employees are required to contribute 6.5% of their annual salary to the Plan by State Statute. The Unit is required to pay contributions as determined on an annual basis by the Plan's actuaries.

	Year ended 6/30/10	
	Amount	Percentage
Employer	\$16,684	3.82%
Employee	34,031	6.50

9. PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Unit is a member of the Maine School Management Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Unit pays an annual premium to the Fund for its worker's compensation coverage. The Unit's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member Units for claims in excess of \$500,000 with an excess limit of \$25,000,000.

The Unit is also a member of the Maine School Management Association - Unemployment Compensation Trust Fund ("MSMA"). MSMA was created to formulate, develop and administer a program of modified self-funding for MSMA's membership, obtain lower costs for unemployment compensation coverage and develop a comprehensive loss control program. The Unit contributes to MSMA based on the first \$12,000 of wages for unemployment compensation. Each member has its reserve, which is determined by the actuary. If the reserve is higher than is determined by the actuary, excess contributions are returned to the member. The annual rate set by MSMA's actuary is based on the member's reserve and on estimated future claims. Each member is responsible for its own excess of claims over reserve.

10. 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 requirements 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.

Regional School Unit No. 28
Budget and Actual (with Budget to GAAP Differences) - General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			Actual Amounts - Budgetary Basis	Budget to GAAP Differ- ences (c)	Actual Amounts - GAAP Basis
	Original	Budget changes (a),(b)	Final			
REVENUES						
Local assessments	\$ 11,177,999	\$(158,710)	\$ 11,019,289	\$10,883,253	\$ -	\$10,883,253
Intergovernmental	8,426,365	(332,784)	8,093,581	8,038,031	-	8,038,031
On-behalf payments - State of Maine	-	-	-	-	1,398,388	1,398,388
Tuition	727,005	-	727,005	742,052	-	742,052
Interest	-	-	-	2,851	-	2,851
Total revenues	20,331,369	(491,494)	19,839,875	19,666,187	1,398,388	21,064,575
EXPENDITURES						
Current						
Regular instruction	9,819,886	(150,632)	9,669,254	8,856,804	-	8,856,804
Special education	3,316,147	(106,042)	3,210,105	2,860,667	-	2,860,667
Career and technical education	226,672	-	226,672	229,827	-	229,827
Student and staff support	1,314,345	(76,110)	1,238,235	1,095,438	-	1,095,438
System administration	742,237	-	742,237	626,376	-	626,376
School administration	1,003,066	-	1,003,066	928,829	-	928,829
Other instruction	508,162	-	508,162	472,697	-	472,697
Operations, less debt service	1,920,407	(3,053)	1,917,354	1,684,600	-	1,684,600
Transportation	719,270	-	719,270	717,044	-	717,044
On-behalf payments - State of Maine	-	-	-	-	1,398,388	1,398,388
Debt service						
Principal - other	200,638	3,053	203,691	194,568	-	194,568
Principal paid on-behalf of Town of Veazie	269,150	-	269,150	269,150	-	269,150
Interest and other charges	163,639	-	163,639	151,311	-	151,311
Capital outlay	-	132,922	132,922	132,922	-	132,922
Total expenditures	20,203,619	(199,862)	20,003,757	18,220,233	1,398,388	19,618,621
Excess (deficiency) of revenues over expenditures	127,750	(291,632)	(163,882)	1,445,954	-	1,445,954
OTHER FINANCING SOURCES (USES)						
Proceeds from capital leases	-	132,922	132,922	132,922	-	132,922
Transfers out	(127,750)	-	(127,750)	(73,000)	-	(73,000)
Total other financing sources (uses)	(127,750)	132,922	5,172	59,922	-	59,922
Net change in fund balances	-	(158,710)	(158,710)	1,505,876	-	1,505,876
FUND BALANCE - BEGINNING	1,513,519	-	1,513,519	1,513,519	-	1,513,519
FUND BALANCE - ENDING	\$ 1,513,519	\$(158,710)	\$ 1,354,809	\$ 3,019,395	\$ -	\$ 3,019,395

- (a) A Town within the RSU approved use of carryover funds to reduce the amount of assessments.
(b) Removed \$332,784 of special revenue grant budget from revenues and expenses.
(c) The Unit does not budget for the on-behalf payments from the State of Maine.

Regional School Unit No. 26
Budget and Actual (with Variances) - General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Budget changes (a),(b)	Final		
REVENUES					
Local assessments	\$ 11,177,999	\$(158,710)	\$11,019,289	\$ 10,883,253	\$ (138,036)
Intergovernmental revenue	8,426,365	(332,784)	8,093,581	8,038,031	(55,550)
Tuition	727,005	-	727,005	742,052	15,047
Interest	-	-	-	2,851	2,851
Total revenues	20,331,369	(491,494)	19,839,875	19,666,187	(173,688)
EXPENDITURES					
Current					
Regular instruction	9,819,886	(150,632)	9,669,254	8,856,804	812,450
Special education	3,318,147	(106,042)	3,210,105	2,860,667	349,438
Career and technical education	226,672	-	226,672	229,827	(3,155)
Student and staff support	1,314,345	(76,110)	1,238,235	1,095,438	142,797
System administration	742,237	-	742,237	626,376	269,540
School administration	1,003,066	-	1,003,066	928,829	74,237
Other instruction	508,162	-	508,162	472,697	35,465
Operations, less debt service	1,920,407	(3,053)	1,917,354	1,684,600	232,754
Transportation	719,270	-	719,270	717,044	2,226
Debt service					
Principal - other	200,638	3,053	203,691	194,568	9,123
Principal paid on-behalf of Town of Veazie	289,150	-	289,150	269,150	-
Interest and other charges	163,639	-	163,639	151,311	12,328
Capital outlay	-	132,922	132,922	132,922	-
Total expenditures	20,203,619	(199,862)	20,003,757	18,220,233	1,937,203
Excess (deficiency) of revenues over expenditures	127,750	(291,632)	(163,882)	1,445,954	1,763,515
OTHER FINANCING SOURCES (USES)					
Proceeds from capital leases	-	132,922	132,922	132,922	-
Transfers out	(127,750)	-	(127,750)	(73,000)	54,750
Total other financing sources (uses)	(127,750)	-	(127,750)	59,922	54,750
Net change in fund balances	-	(158,710)	(158,710)	1,505,876	\$ 1,818,265
FUND BALANCE - BEGINNING	1,513,519	-	1,513,519	1,513,519	
FUND BALANCE - ENDING	\$ 1,513,519	\$(158,710)	\$ 1,354,809	\$ 3,019,395	

- (a) A Town within the RSU approved use of carryover funds to reduce the amount of assessments.
(b) Removed \$332,784 of special revenue grant budget from revenues and expenses

Regional School Unit No. 28
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2010

	<u>Special Revenue</u>	<u>School Lunch Program</u>	<u>Totals</u>
ASSETS			
Due from other funds	\$ -	\$ 14,370	\$ 14,370
Due from other governments	221,958	10,653	232,611
Inventories	<u>-</u>	<u>14,980</u>	<u>14,980</u>
Total assets	<u>\$ 221,958</u>	<u>\$ 40,003</u>	<u>\$ 261,961</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accrued summer pay	\$ 9,192	\$ -	\$ 9,192
Due to other funds	<u>63,684</u>	<u>-</u>	<u>63,684</u>
Total liabilities	<u>72,876</u>	<u>-</u>	<u>72,876</u>
Fund balances			
Unreserved	<u>149,082</u>	<u>40,003</u>	<u>189,085</u>
Total liabilities and fund balances	<u>\$ 221,958</u>	<u>\$ 40,003</u>	<u>\$ 261,961</u>

Regional School Unit No. 26
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	<u>Special Revenue</u>	<u>School Lunch Program</u>	<u>Totals</u>
REVENUES			
Local assessments	\$ 40,000	\$ -	\$ 40,000
Intergovernmental	1,316,833	187,191	1,504,024
Charges for services	35,271	208,191	243,462
Donations	1,325	-	1,325
Other revenue	31,319	-	31,319
Total revenues	<u>1,424,748</u>	<u>395,382</u>	<u>1,820,130</u>
EXPENDITURES			
Current			
Federal, state and local grant expense	1,295,335	-	1,295,335
Food service	-	481,575	481,575
Adult education	116,579	-	116,579
Capital outlay	54,490	-	54,490
Total expenditures	<u>1,466,404</u>	<u>481,575</u>	<u>1,947,979</u>
Excess (deficiency) of revenues over expenditures	<u>(41,656)</u>	<u>(86,193)</u>	<u>(127,849)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>-</u>	<u>73,000</u>	<u>73,000</u>
Net change in fund balances	<u>(41,656)</u>	<u>(13,193)</u>	<u>(54,849)</u>
FUND BALANCES - BEGINNING	<u>190,738</u>	<u>53,196</u>	<u>243,934</u>
FUND BALANCES - ENDING	<u>\$ 149,082</u>	<u>\$ 40,003</u>	<u>\$ 189,085</u>

**Regional School Unit No. 26
Budget and Assessment - General Fund
For the Year Ended June 30, 2010**

BUDGET REQUIREMENTS

Operations and indebtedness	\$ 19,870,835
Capital lease outlay	132,922
Transfers out	<u>127,750</u>
Total budget requirements	<u>20,131,507</u>

REDUCTIONS OF REQUIREMENTS

Estimated revenues	8,820,586
Capital lease proceeds	132,922
Utilization of fund balance - budget	<u>158,710</u>
Total reductions of requirements	<u>9,112,218</u>
Net budget requirements	<u>\$ 11,019,289</u>

ASSESSMENTS

Glenburn	\$ 3,699,406
Orono	4,672,730
Veazie	<u>2,647,153</u>
Total assessments	<u>\$ 11,019,289</u>

Regional School Unit No. 26
Combining Schedule of Special Revenue Fund Activity
For the Year Ended June 30, 2010

	July 1, 2009 Balance	Revenues	Expenditures	June 30, 2010 Balance
Title IA disadvantaged	\$ (13,874)	\$ 220,615	\$ 199,196	\$ 7,545
ARRA - Title IA	-	124,677	75,428	49,249
Drug free	-	5,590	2,800	2,790
Local entitlement	(15,319)	366,320	349,052	1,949
ARRA - Local entitlement	-	197,206	196,078	1,128
Title IIA	(1,323)	85,164	76,452	7,389
Title IID	1,383	2,412	3,460	335
ARRA - Title IID	-	5,928	5,765	163
Character education	170	-	-	170
Preschool handicapped	-	2,239	-	2,239
Title VI	1,326	-	-	1,326
REAP	1,539	-	1,539	-
ARRA - Maine state billing	-	226	52	174
ARRA - Day treatment	-	251	-	251
Adult basic education	(328)	4,528	6,452	(2,252)
Adult education	-	140,421	110,127	30,294
ARRA - state stabilization	197,916	221,958	397,591	22,283
Dental health	-	665	662	3
Melmac planning grant	3,948	-	-	3,948
ME Math and Science	1,318	-	-	1,318
Efficiency and regional	(650)	16,220	15,570	-
Tech prep grant	2,026	-	-	2,026
School health	745	-	-	745
Seasonal and HINI	-	8,209	8,209	-
Service learn. youth advisory group	98	-	-	98
Wellness grant	305	-	-	305
NSF - Johnson	2,598	-	-	2,598
Glueck unds Orono	20	-	-	20
Mountcastle MS River - Orono	536	-	-	536
OEA Orono	1,562	-	1,470	92
East Asian studies	75	-	-	75
Region IV	4,489	-	-	4,489
Timber sale	81	-	-	81
Adult education - Glenburn	-	500	-	500
Glenburn library	-	14,071	10,278	3,793
Orono library donations	-	1,325	-	1,325
Orono educational fund	-	6,224	6,224	-
Art (PAL)	2,097	-	-	2,097
Totals	\$ 190,738	\$ 1,424,749	\$ 1,466,405	\$ 149,082

Regional School Unit No. 26
Combining Schedule of Agency Fund Activity
For the Year Ended June 30, 2010

	<u>July 1, 2009</u>			<u>June 30, 2010</u>
	<u>Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance</u>
Veazie Community School	\$ 10,293	\$ 28,035	\$ 24,133	\$ 14,195
Asa Adams School	8,719	13,844	12,722	9,841
Orono High School - General	39,259	153,727	152,349	40,637
Orono High School - Athletics	4,083	56,885	54,353	6,615
Glenburn Elementary	<u>22,216</u>	<u>61,959</u>	<u>65,588</u>	<u>18,587</u>
Total agency fund activity	<u>\$ 84,570</u>	<u>\$ 314,450</u>	<u>\$ 309,145</u>	<u>\$ 89,875</u>



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Email: bta@btacpa.com

**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. 26

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Regional School Unit No. 26 as of and for the year ended June 30, 2010, which collectively comprise Regional School Unit No. 26's basic financial statements and have issued our report thereon dated February 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Regional School Unit No. 26's internal control over financial reporting as a basis for designing our auditing procedures 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. 26's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 26's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Item #2010-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Regional School Unit No. 26's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

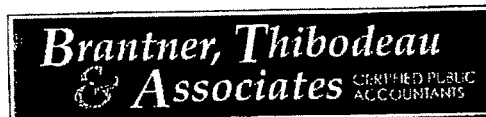
We noted certain matters that we reported to management of Regional School Unit No. 26, in a separate letter dated February 1, 2011.

Regional School Unit No. 26's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Regional School Unit No. 26's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rantra Thibodeau & Associates

Bangor, Maine
February 1, 2011



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Email: bta@btacpa.com

**Report on Compliance With Requirements Applicable to
Each Major Program and on Internal Control Over Compliance in
Accordance With OMB Circular A-133**

Board of Directors
Regional School Unit No. 26

Compliance

We have audited the compliance of Regional School Unit No. 26, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Regional School Unit No. 26's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Regional School Unit No. 26's management. Our responsibility is to express an opinion on Regional School Unit No. 26's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Regional School Unit No. 26's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Regional School Unit No. 26's compliance with those requirements.

In our opinion, Regional School Unit No. 26, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Regional School Unit No. 26, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Regional School Unit No. 26's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Regional School Unit No. 26's internal control over compliance.

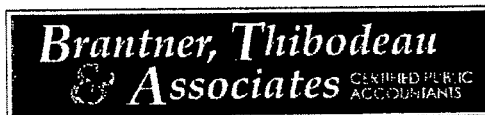
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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, detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, board of directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rantra Whiddow & Associates

Bangor, Maine
February 1, 2011



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**Report on Compliance Based
on Requirements of the Maine
School Finance Acts**

Board of Directors
Regional School Unit No. 26

With regard to the accompanying audit report of Regional School Unit No. 26 for the year ended June 30, 2010, we state the following assurances:

1. The audit has been conducted in accordance with applicable state and federal laws relating to financial and compliance audits.
2. Budgetary controls were in place.
4. The Unit has complied with applicable provisions of the Essential Services and Program Funding Act.
5. The Unit is in compliance with the applicable provisions of the Maine School Finance Acts of 1985 and 1995.
6. The Unit has complied with transfer limitations between budget cost centers pursuant to section 1485, subsection 4.
7. The Unit has complied with budget content requirements pursuant to section 15693, subsection 1 and cost center summary budget format requirements pursuant to sections 1305C, 1485, 1701C and 2307.

Brantner Thibodeau & Associates

Bangor, Maine
February 1, 2011

Regional School Unit No. 26
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
U.S. Department of Education			
Passed through State Department of Education			
<i>Title IA, Part A Cluster</i>			
Title IA disadvantaged	84.010A	13-05A-6334-13	\$ 199,196
ARRA - Title I Grants to Local Educational Agencies	84.389A	20-05A-3057-13	75,428
Title IIA - Improving teacher quality	84.367A	13-05A-1138-11	76,452
ARRA - State fiscal stabilization fund	84.394A	20-05A-2077-01	397,591
<i>Special Education Cluster</i>			
Special Education - Grants to States	84.027A	13-05A-6317-12	349,053
ARRA - Special Education - Grants to States	84.391A	20-05A-3046-12	196,078
<i>Education Technology Cluster</i>			
Title IID - Education Technology State Grants	84.318A	13-05A-3003-02	3,460
ARRA - Education Technology State Grants	84.386X	020-05A-3003-02	5,765
U.S. Department of Health and Human Services			
Passed through Office of Substance Abuse			
Drug Free Schools	84.186A	13-05A-6347-58	2,800
Total U.S. Department of Education			1,305,823
 Passed through State Department of Education			
National school lunch program	10.555	13-05A-8121-05	180,388
School lunch breakfast	10.553	13-05A-7127-05	27,717
Total U.S. Department of Agriculture			208,105
Total federal programs			<u>\$ 1,513,928</u>

Regional School Unit No. 26
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

PURPOSE OF THE SCHEDULE

Office of Management and Budget (OMB) Circular A-133 requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

The accompanying schedule includes all federal award programs of Regional School Unit No. 26 for the fiscal year ended June 30, 2010. The reporting entity is defined in the Notes to the Financial Statements of Regional School Unit No. 26.

2. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

- a. Pursuant to OMB Circular A-133, federal financial assistance is defined as assistance provided by federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.
- b. OMB Circular A-133 establishes the level of expenditures to be used in defining major federal financial award programs. Major programs for the Unit have been identified in the Schedule of Findings and Questioned Costs.

3. BASIS OF ACCOUNTING

The information presented in the Schedule of Expenditures of Federal Awards is presented on a basis consistent with the Unit's general purpose financial statements. The grants included are all accounted for on a modified accrual basis of accounting which is described in the notes to the general purpose financial statements.

Regional School Unit No. 26
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section I — Summary of Auditor's Results

Financial Statements

Type of auditor's report issued – Government-wide
 Financial Statements

- *Unqualified opinion*

Internal control over financial reporting

- Material weakness(es) identified? - X yes no
- Significant deficiency(ies) identified that are not
 considered to be material weakness(es)? - yes X none reported

Noncompliance material to financial
 statements noted?

- yes X no

Federal Awards

Internal control over major programs

- Material weakness(es) identified? - yes X no
- Significant deficiency(ies) identified that are not
 considered to be material weakness(es)? - yes X none reported

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

- *Unqualified opinion*

Any audit findings disclosed that are required
 to be reported in accordance with Section .510(a)
 of Circular A-133?

- yes X no

Identification of major programs

CFDA Number(s)

Name of Federal Program or Cluster

84.027 & 84.391
 84.394

Special Education – Grants to States Cluster
 State fiscal stabilization fund

Dollar threshold used to distinguish between
 Type A and Type B programs

- \$300,000

Auditee qualified as low-risk auditee?

- yes X no

Regional School Unit No. 26
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Section II — Financial Statement Findings

	#2010-1
<i>Criteria or specific requirement</i>	Internal control over financial reporting with significant adjustments.
<i>Condition</i>	Management did not control the preparation of the financial statements and related footnotes without material modifications and assistance.
<i>Questioned costs</i>	None
<i>Context</i>	Management has relied on its auditors to prepare changes to their financial statements and assemble all information for footnote disclosures.
<i>Effect</i>	Management may not be able to identify an error or misstatement in the financial statements. In addition, management may not be able to recognize that a required footnote has been omitted or an inappropriate footnote has been included in the footnotes.
<i>Cause</i>	Lack of knowledge and training necessary to permit the Unit to understand its own financial statements and required footnotes.
<i>Recommendation</i>	Management should obtain the training necessary to permit the Unit to identify any errors or misstatements in its own financial statements and required footnotes.
<i>Management's response</i>	Management will attempt to obtain training that will provide the knowledge necessary to assist more in the preparation of the financial statements and the report's required information and disclosures.

Section III — Federal Award Findings and Questioned Costs

<i>Information on the federal program</i>	None
<i>Criteria or specific requirement</i> <i>(including statutory, regulatory, or other citation)</i>	
<i>Condition</i>	
<i>Questioned costs</i>	
<i>Context</i>	
<i>Effect</i>	
<i>Cause</i>	
<i>Recommendation</i>	
<i>Management's response</i>	

From: "Little, Dave" <david.little@bangormaine.gov>
Subject: **Proposed Legislation**
Date: February 8, 2011 11:43:44 AM EST
To: <MMTCTA-members@imail.memun.org>

The following is a list of upcoming proposals that may be of interest or will impact us directly:

LD 27 - An Act Concerning Maine Veterans License Plates – This allows a veteran to only have to show the proper documentation for veterans plates during the initial application, the Secretary of State must keep copies of the records for future applications. It also expands the allowable paperwork a veteran can use for the application.

LD 79 - An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price – This would require us to reduce the MSRP to 90% before calculating the excise tax. The end result is a 10% reduction in your excise tax revenue. We fight this every year so once again talk to your Council, Selectmen and State Delegates and discuss how a 10% reduction in revenue will impact your community.

LD 117 - An Act To Amend the Location of Motor Vehicle Excise Tax Collection for Motor Vehicles Owned by Public Utilities – This bill removes the requirement that Public Utilities must register all their vehicles in the municipality that their main office is in. The change moves the Utilities into the same rules as other businesses that if they have a secondary office and vehicles are housed at that second location then those vehicles must be registered in that secondary community. This bill initially looked pretty straightforward and removed a requirement that seemed odd considering the rules governing all other businesses however it has been causing a stir as some communities are fearing a huge exodus of Utility fleets to neighboring towns.

LD 149 - An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations – This allows a municipality to impose a service charge against the owners of certain exempt property if they or other users of the property receive more than \$150,000 in gross annual revenue. The service charge must be calculated according to the actual cost of providing municipal services to that property and the service charge collected must be used to fund those services.

LD 175 - An Act To Create a Short-term All-terrain Vehicle Registration System – This bill would create a nonresident short term registration for ATVs. Nonresidents can purchase a 7 consecutive day registration for \$53.00 or a yearly registration for \$68.00. They can purchase multiple 7 day registrations in one season.

LD 229 - An Act To Protect Homeowners Concerning Property Liens – As currently written this bill would require that any payment (partial or otherwise) made by a third party after the lien has been filed but before the foreclosure date be disclosed to the delinquent taxpayer. This disclosure would have to happen within 30 days and be in writing signed by the tax collector and left at the taxpayers last and usual abode or mailed certified mail return receipt requested. The mailing costs are paid by the municipality and not passed onto the taxpayer. Obviously this raised major concerns with us having to send out certified notices, at our cost, every time a mortgage holder made a payment. The sponsor of this bill has recently been contacted and admitted that mortgage holders were not thought about when the bill was originally written. The intent of the bill was to prevent possible fraud by third parties attempting to pay the tax and obtain some kind of ownership or lien holder status against the taxpayer. The sponsor has indicated that the bill will be re-worded to specifically exclude mortgage holders and only require regular mail not certified.

LD 238 - An Act To Limit the Vehicle Excise Tax Exemption Provided to Benevolent and Charitable Institutions and To Repeal the Exemption Provided to Literary and Scientific Institutions - This bill will limit the excise tax exemption for benevolent and charitable institutions and repeal the exemption for literary and scientific institutions. The limitations imposed on benevolent and charitable institutions requires that the vehicles owned by them are used solely for the institution's purposes and primarily for transporting or delivering goods to persons who have been determined to be eligible to receive charitable services from the institution.

LD 288 - An Act To Amend the Laws Governing Municipal Motor Vehicle Registration and License Agent Fees – This proposal has been put forth by the MMTCTA and will increase the agent fees from the current \$3.00 and \$4.00 rates to \$5.00 and \$6.00. This proposal has been prepared as the result of yearly comments by the Association members that the current rates do not properly reflect the cost and time involved in acting as an agent for the State. This proposal would result in increased revenue without raising property taxes and is optional to the customer. Municipalities can also choose to charge a lower rate if desired. The last increase was in 1991.

LD 289 - An Act To Amend the Laws Governing Municipal Recreational Vehicle Registration Agent Fees – This proposal has been put forth by the MMTCTA and will increase the agent fees from the current \$1.00 and \$2.00 rates to \$3.00 and \$4.00. This

proposal has been prepared as the result of yearly comments by the Association members that the current rates do not properly reflect the cost and time involved in acting as an agent for the State.

LD 293 - An Act To Waive Snowmobile Registration Requirements for Canadians Riding on Maine Trails – This bill will allow a snowmobile registered in Canada to be operated in Maine without a Maine registration provided that the snowmobile is used on State-funded trails, is insured in Canada and the rider belongs to a snowmobile club located in Maine.

LD 297 - An Act To Allow Treasurers To Process Tax Lien Discharge and Sanitary District Sewer Lien Documents Using Facsimile Signatures – This bill will allow treasurers to use a facsimile signature for sewer liens, tax and sewer lien discharges and tax and sewer lien waivers of foreclosure. The current law requires these forms to have a "live" manual signature.

This last bill does not impact us directly but may be of interest to others in your municipality.

LD 357 - An Act To Repeal Motor Vehicle Inspection Requirements – This bill will repeal the annual motor vehicle inspection requirement for all registered vehicles.

The Revisor's Office received over 7,000 bills so there will be plenty more coming including several to require excise tax be paid on the purchase price and one that appears to repeal the excise tax laws completely.

Stay tuned and don't be afraid to get involved. The more voices heard the better.

David W. Little
Vice President, MMTCTA
Tax Collector/Deputy Treasurer
City of Bangor
Phone: (207) 992-4290
Fax: (207) 945-4422
david.little@bangormaine.gov

ITEM # Ed

From: Paula Maxim <paulamaxim@aol.com>
Subject: **Re: General Comments to the Town (Maxim Request)**
Date: February 9, 2011 9:14:27 AM EST
To: veazietm@aol.com

Thank you for this info. He asked me to send some photos to him.

The Fire department did an outstanding job at my house last night! Thank goodness, there was no damage!

-----Original Message-----

From: William Reed <veazietm@aol.com>
To: Paula Maxim <paulamaxim@aol.com>
Cc: gmartin@midmaine.com; VeazieME Fire Department <vzfire@veazie.net>
Sent: Wed, Feb 9, 2011 8:59 am
Subject: Re: General Comments to the Town (Maxim Request)

Paula

The email addresses are as follows:

gmartin@midmaine.com - Gerry Martin's home email
vzfire@veazie.net - is the department email

Hope this helps

William Reed
veazietm@aol.com

Confidentiality notice: the email message contained herein is intended only for the individual to whom or entity to which it is addressed as shown at the beginning of the message and may contain information that is privileged, confidential, and/or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or if the employee or agent responsible for delivering the message is not an employee or agent of the intended recipient, you are hereby notified that any review, dissemination, distribution, use, or copying of this message is strictly prohibited. If you have received this message in error, please notify us immediately by return email and permanently delete this message and your reply to the extent it includes this message. Thank you for your cooperation.

On Feb 8, 2011, at 7:53 PM, Paula Maxim wrote:

Request From: Paula Maxim
Email: paulamaxim@aol.com
Source IP: 70.105.245.12

Address: 9 Highview Terrace
City: Veazie
State: Maine
Zip: 04401
Phone: 941-8077
Organization:

Can the fire chief email me, then I can attach my photo from last night on Highview Terrace. Thanks!

ITEM # 8e

From: "jimburke" <jiminmaine@live.com>
Subject: **northeastpatientsgroup**
Date: February 9, 2011 6:16:17 AM EST
To: <veazietm@aol.com>

I read your community might allow patients group to open a dispensary there. is your community aware of north east patients group failing and fighting not to pay 6.5 million in unpaid taxes to the city of sandiego california. I would hate to see your communities money going out of state and the loss in taxes. keep investing in maine people with strong maine ties. concerned tax payer jim b

From: "Brian Perkins" <Bperkins@apollo.umenfa.maine.edu>
 Subject: **RE: snow removal**
 Date: February 3, 2011 9:51:29 AM EST
 To: "Rod Hathaway" <rod@mainetrailer.com>, <veazietm@aol.com>, <jfriedman3@roadrunner.com>, <jparker@midmaine.com>, <bperkins@apollo.umenfa.maine.edu>, <vz801@myfairpoint.net>, <barney@lousilver.com>

Barney,

I will echo Rod's comments. The overwhelming majority of folks I have spoken with are very pleased with the efforts of your crew, especially when considering the challenging weather we have experienced this winter.

I especially appreciate your crew knocking back and removing the snowbanks that obstruct drivers vision as they exit driveways and side streets. You have certainly gone above and beyond expectations in that area. On that note, I urge you to focus on some of the residential sections along route 2 that folks have told me have blind spots as they pull out of their driveways.

Again, kudos to you and your snow removing crew!

Brian Perkins

On 2 Feb 2011 at 10:42, Rod Hathaway wrote:

From: "Rod Hathaway" <rod@mainetrailer.com>
 To: <barney@lousilver.com>
 Copies to: <veazietm@aol.com>, <jfriedman3@roadrunner.com>, <jparker@midmaine.com>, <bperkins@apollo.umenfa.maine.edu>, <vz801@myfairpoint.net>
 Date sent: Wed, 2 Feb 2011 10:42:14 -0500
 Subject: RE:

Barney

Just a quick follow up. I would like to commend you and your staff for an excellent job keeping the streets clear. I feel we may have spoiled our citizens in the past with our own plowing but on the other hand I have heard comments that our streets are has good if not better than the streets in Bangor. One thing that I have heard is people are asking why we plow the way we do and what are our priorities. There was also a comment made that we should put on our tv channel the streets has prioritized by the Town so that the citizens can understand the order in which we plow for a storm,.

Other than that the only other issue that will need to be addressed will be the spring and damage clean up. Your comment about reviewing with Bill after the storm is right on and how you take care of it will also help to mitigate any citizen concerns.

Thanks for a good job

Rod Hathaway

From: William Reed [<mailto:veazietm@aol.com>]
Sent: Wednesday, February 02, 2011 8:19 AM
To: rod hathaway
Subject: Fwd:

William Reed

veazietm@aol.com

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Begin forwarded message:

From: "Barney " <barney@lousilver.com>

Date: February 1, 2011 6:15:10 PM EST

To: <veazietm@aol.com>, <jfriedman3@roadrunner.com>, <jparker@midmaine.com>, <bperkins@apollo.umenfa.maine.edu>, <vz801@myfairpoint.net>

To Bill and the Veazie Town Council

I am very sorry to have missed your regular scheduled meeting last night. I must have misunderstood the last time I spoke with Bill. I was too far away when Alan called to be able to get to the meeting in time.

Hopefully you are pleased with the way things are going. Many times we only hear the complaints and not when people are happy. To follow is a short rundown of my approach and thoughts.

After a number of repairs, the truck purchased has performed very well. We use this truck to do all of the priority roads first, and after a round on the priority roads we do a section of the lower priority side streets. After 3 trips on the main roads the entire town has been plowed one time. During the day and early morning we have added a pickup to do the cul de sacs, short streets, narrow streets, and to push corners back. During the first large storm we added the F-550 with plow and wing to help out the other two pieces plowing.

After the storms we have pushed back the cul de sacs, lugged snow away from the intersections, and pushed back the windrows on the streets. In the village where the streets are narrow and some houses very close to the curb we have hauled off the snow 2 times. We have hauled snow off from sections of most of the streets in town at least one time. This past week we put a loader in town taking a bucket or two away from all of the driveways to help improve sight distance. At the same time we have been working on the intersections to move some of the snow back to increase safety.

I expect to continue with more of the same work after this next big storm they are predicting has ended. Hopefully the benefits of this extra work are noticed by the citizens as this does make getting around hard while it is going on, but much better when it is finished.

The Veazie Police have not been hesitant to call if they think the road is slippery or could be soon. That has helped keep all of the roads and intersections in very good shape. In going to the other towns during the storms I personally feel that the roads in Veazie are in very good shape.

Hopefully everyone is satisfied. There will be a few items to take care of in the spring. The unfrozen ground was difficult the first couple of storms, and we had some extra ordinary curb damage. I will look at this in the spring with Bill. We have hit some mailboxes and are also waiting for spring to be able to fix the broken ones correctly. Fixing things this time of year will only result in it being redone in the spring when the frost comes out of the ground. In closing, I am very sorry I missed the meeting and hope that everyone is happy with our work.

Barney

Meeting of the Orono-Veazie Water District Trustees

ITEM # 89

Held at the Council Chambers on January 4, 2011

Meeting #390 called to order at 7:00 p.m.

Present: Chairman McCormack, Trustee Parker, Trustee Hall, Trustee Fortier, Trustee Borneman, and Supt. Cross

Minutes of meeting # 389 approved as written.

- Item 1. A true list of water service assessments for February in the amount of \$ 62,982.85 was committed to Dennis Cross, Treasure by vote of Trustees.
- Item 2. Trustees voted to have rate documents prepared and submitted as soon as possible.
- Item 3. Dennis indicates Penta is down to a punch list. One item is a 60 hour test that needs to be coordinated with Weston & Sampson.
- Item 4. Trustees voted to authorize Dennis to hire Brantner, Thibodeau & Associates for 2010 audit.
- Item 5. Residual Disposal, Dennis is working with the DEP and contractors to handle this.
- Item 6. Trustees reviewed the Income & Expense Statement for December.
- Item 7. Trustees reviewed again the situation at John Dall's house and voted not to pursue and a letter will be sent from the Board notifying him.
- Item 8. The Trustees asked Dennis to contact Weston & Sampson and direct them to expedite information. Penta needs to complete the 60 hour test. This needs to be done to prevent further delays by Penta.
- Item 9. Trustees reviewed employee salaries with Dennis and authorized an adjustment.
- Item 10. The meeting adjourned at 8:45 p.m.
- Item 11. The next meeting will be held at the District Office at 7:00 p.m. on February 8, 2011.

Respectfully submitted.

John McCormack



CERTIFICATE OF APPRECIATION

PRESENTED TO

Ralph Bridges - 40 Hours
Veazie Police Department

FOR CONTINUED SUPPORT AND DEDICATION IN PROVIDING
CRIMINAL JUSTICE TRAINING DURING 2010 FOR THE

MAINE CRIMINAL JUSTICE ACADEMY

Date: January 1, 2011

Brian MacMaster
Chairman, Board of Trustees

Joan Stedman
Academy Director



CERTIFICATE OF APPRECIATION

PRESENTED TO

Veazie Police Department

52 Hours

FOR CONTINUED SUPPORT AND DEDICATION IN PROVIDING
CRIMINAL JUSTICE TRAINING DURING 2010 FOR THE

MAINE CRIMINAL JUSTICE ACADEMY

Date: January 1, 2011

Brian MacMaster
Chairman, Board of Trustees

Joan Stenger
Academy Director

2010 Maine Criminal Justice Academy Instructors

Veazie PD

<u>Last name</u>	<u>First name</u>	<u>Date</u>	<u>Topic Instructed</u>	<u>Classroom Hours</u>	<u>Program Type</u>
Bridges	Ralph	04/12/2010	Firearms	40.00	BLETP
Haslam	Paul	05/18/2010	Emergency Vehicle Operation Course	40.00	LEPS
Haslam	Paul	05/18/2010	Courtroom Demeanor	1.00	LEPS
Sirois	Kevin	05/24/2010	First Aid & CPR	8.00	LEPS
Total Agency Hours			Instructor Total	8.00	
			Instructor Total	8.00	