

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH MAINE STATE STATUTE REQUIREMENTS

Biddeford School Committee  
City of Biddeford School Department

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Biddeford, Maine as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Biddeford, Maine's basic financial statements. We issued our report thereon dated December 28, 2018, which contained unmodified opinions on those financial statements.

As part of obtaining reasonable assurance about whether the City of Biddeford, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

In connection with that audit we:

1. Considered whether the Biddeford School Department has complied with budget content requirements of section 15693.
2. Considered whether the Biddeford School Department has complied with transfer limitations between budget cost centers pursuant to section 1485.
3. Considered whether the Biddeford School Department has exceeded its authority to expend funds.
4. Considered whether the Biddeford School Department has complied with the applicable provisions of the unexpended balances requirements established under section 15004.
5. Reviewed the annual financial data submitted to the Maine Department of Education and reconciled it to the audited financial statement totals (see attached *Schedule of Reconciliation of the NEO Financial System with Audited Financial Statements*).
6. Considered whether the Biddeford School Department was in compliance with applicable provisions of the Essential Programs and Services Funding Act.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. Other known matters of noncompliance relating to the above listed items (items #1 - #6) are as follows:

- The School Department did not vote to make budgetary transfers of up to 5% as allowed by section 1485 and, as a result, did have individual cost centers with actual expenditures in excess of budgeted amounts. However, in total, the School Department did not exceed its authority to expend funds.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying *Schedule of Reconciliation of the NEO Financial System with Audited Financial Statements* is presented for purposes of additional analysis as required by regulation of the Maine Department of Education and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



December 28, 2018  
South Portland, Maine

**CITY OF BIDDEFORD SCHOOL DEPARTMENT**  
**Schedule of Reconciliation of the NEO Financial System with Audited Financial Statements**  
**For the year ended June 30, 2018**

	General Fund	Capital Projects	School Lunch	Adult Ed Grants	School Donations	School Insurance Claims	School Categorical Programs
<b>Revenues and other financing sources:</b>							
Per NEO:	\$ 37,158,279.40	197,400.65	1,120,823.22	87,691.09	500.00	67,120.43	1,897,521.33
Differences:							
School Lunch commodities received (not reported on NEO)	-	-	51,314.00	-	-	-	-
Budgeted use of carryover (not a revenue on Financial Statements)	(1,336,377.58)	-	-	-	-	-	-
Adjusted NEO balance	35,821,901.82	197,400.65	1,172,137.22	87,691.09	500.00	67,120.43	1,897,521.33
Per School Department financial statements (Exhibits A-2, C-2 and D-2)	35,821,902.00	197,400.00	1,172,137.00	87,690.00	500.00	67,120.00	1,897,523.00
<b>Variance - immaterial</b>	<b>\$ (0.18)</b>	<b>0.65</b>	<b>0.22</b>	<b>1.09</b>	<b>-</b>	<b>0.43</b>	<b>(1.67)</b>
<b>Expenditures and other financing uses:</b>							
Per NEO:	\$ 35,751,659.02	830.00	1,134,664.80	91,023.45	6,190.95	65,688.96	1,923,385.02
Differences:							
Change in school lunch inventory (recorded directly to fund balance in NEO)	-	-	2,045.00	-	-	-	-
Release of restricted FSA funds (recorded directly to fund balance in NEO)	(5,959.00)	-	-	-	-	-	-
General Fund fund balance correction (recorded directly to fund balance in NEO)	1,000.00	-	-	-	-	-	-
School Lunch commodities received (not reported on NEO)	-	-	51,314.00	-	-	-	-
Adjusted NEO balance	35,746,700.02	830.00	1,188,023.80	91,023.45	6,190.95	65,688.96	1,923,385.02
Per School Department financial statements (Exhibits A-2, C-2 and D-2)	35,746,701.00	811.00	1,188,024.00	91,023.00	6,191.00	65,689.00	1,923,387.00
<b>Variance - immaterial</b>	<b>\$ (0.98)</b>	<b>19.00</b>	<b>(0.20)</b>	<b>0.45</b>	<b>(0.05)</b>	<b>(0.04)</b>	<b>(1.98)</b>

*See accompanying auditors report.*

*Note: This schedule excludes the following which were also excluded from NEO data:*

- Agency funds (student activities)
- Private-purpose trust (scholarships)