

# 5

## Things You Should Know

Over \$30-thousand of funding has been “curtailed” thus far in 2018 by the State.

The joint SPED program involving multiple SAU's will begin operations in the fall.

Most Maine school administrative unit budgets were approved in June for fiscal year 2018.

Upcoming Finance Committee meetings will begin at 3:30 rather than later in the day.

The RSU's cash position improved with increased revenue receipts.

Sheepscot Valley Regional School Unit | RSU 12

### Finance Committee News and Monthly Report

## September 2017

☐ School Fiscal Year 2018

☐ Budget Update and Financial Summary on Following Page

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## Monthly Finance Committee News Items and Meeting Notes

The Committee met on Tuesday 5 September at the RSU's Central Office. Payable and Payroll Warrants were signed for activity taking place in August and other matters were considered. It was decided to change future meeting times to 3:30 in the afternoon rather than later in the day.

**CLOSING FY 2017.** There was a short discussion of revenues and expenditure transactions for the just concluded fiscal year. It seems as if most, if not all, revenues and expenditures associated with fiscal 2017 have been recognized. There will be journal entries made to properly recognize transactions in their fiscal year within the next few weeks allowing the year to be financially “closed.”

**2017 SINGLE AUDIT.** Field work and testing for the 2017 fiscal year were largely completed in June. A return visit to tie-up loose ends is scheduled for late October. A final report from Runyon Kersteen Ouellette is expected in November or December.

**2018 REVENUES AND EXPENDITURES.** Revenues are catching up with budget expectations as towns begin to send payments after a slight delay in July. July's short-term borrowing from First Bancorp has been repaid as receipts increased. Expenditures in August were under a million dollars compared to more robust spending as the school year charges into high gear. August payments for goods and services and payrolls were both in the “old” and “new” fiscal year; four of 26 payroll and payables warrants have been processed or just over 15 percent.

**PLANNED BUS PURCHASE.** The district is planning to purchase two busses in order to maintain the mechanical integrity of the fleet. The expected dollar commitment will approach \$190-thousand and be financed over a five year period, continuing prior practices.

Representatives from the RSU met with two firms who are agents for Blue Bird and Thomas, both popular brands of school busses used in Maine. Discussions centered on the vehicle specifications and equipment that would be included on busses purchased as well as price.

The committee reviewed the work to date including prices quoted for the vehicles by the vendors. It seems as if the best price for vehicles and accessories is for two Thomas busses. They are equipped with on-board video cameras and a more aggressive tire tread configuration which was not part of the Blue Bird offer.

It's expected that a more formal RFP/Quote process will be used next year as bus purchases continue.

**OTHER STATE FUNDING.** As more becomes known about the state budget for fiscal 2018 it's becoming apparent that program funding changes and curtailments are more common. The district has become aware of over thirty thousand dollars of changes and cuts in programs thus far into the fiscal year. Voters in the seven towns have allowed the RSU to set aside over a hundred thousand dollars in anticipation of such cuts.

**THE SHEEPSKOT REGIONAL EDUCATION PROGRAM** is expected to launch services sometime in the fall and the initial location is expected to be in Bath and not in Wiscasset as originally planned. The member districts are yet to gather and formulate a program document and will wait for a review of any agreement by legal counsel. It's expected that some program staff and administrators will come on board in the next few weeks.

**PREK PROGRAM FINANCIAL REVIEW.** The Finance Committee began discussions of costs associated with the PreK program serving all RSU 12 towns. The State has announced a change in their funding methodology and having a clear understanding of those implications will be key. A lack of stable or consistent funding will make it more difficult to predict the program's financial viability in future periods. Further discussions will happen and reports shared as the fiscal year moves along.

## 2018 General Fund Revenues

Fiscal Year Budgeted Amount	Actual Amount & Percent	Prorated (adjusted) at 15 percent
\$ 21,464,370	\$ 3,105,592	\$ 3,219,656
<i>Comments:</i> Fiscal Year 2018 collections are close to matching the adjusted and prorated amount. Municipalities have resumed normal payments of assessments.		The Prorated (adjusted) amount recognizes months with larger receipts associated with State Debt Service.

## 2018 General Fund Expenses

4 of 26 Payroll and Payables Warrants or 15.38 percent

Budget Warrant Number and Cost Center Name	2018 Budget Amount	Expended to Date	Percentage
1. Regular Instruction	\$10,711,654	\$1,137,795	10.62
2. Special Education Instruction	\$3,781,332	\$556,061	14.71
3. Career and Technical Education	\$195,660	\$0	0.00
4. Other Instruction (Co-Curricular/Athletics)	\$145,640	\$2,509	1.72
5. Student and Staff Support	\$834,657	\$155,950	18.69
6. System Administration	\$597,821	\$143,128	23.94
7. School Administration	\$771,366	\$122,353	15.86
8. Transportation and Busses	\$1,215,219	\$233,813	19.24
9. Facilities Maintenance	\$1,484,034	\$289,776	19.53
10. Debt Service	\$1,666,986	\$0	0.00
11. All Other Expenditures	\$60,000	\$10,000	16.67
<b>Column Totals</b>	<b>\$21,464,370</b>	<b>\$2,651,395</b>	<b>12.35</b>

*Comments:* During August expenses paid are for both the "old" and "new" fiscal year. Modified accrual accounting allows up to ninety days for the RSU to close the "old" fiscal year. It will not be until September or October for the appropriate journal entries to be made to reflect the correct expenditure amount.

## The RSU 12 August Cash Position; opening and month-end balances

End-of-Month Balance	Beginning-of-Month Balance	Change in Cash Position
\$ 1,097,526	\$ 349,252	\$ 748,274

## Upcoming Finance Committee Meetings

The Finance Committee normally meets on the first Tuesday of a month. Should a Board Meeting take place before the 10<sup>th</sup> of the month, the Committee will meet on the last Tuesday of the prior month. Unless noted, the meetings begin at **3:30 PM** at the **Central Office in Somerville**. Dates of the next two Finance Committee meetings are shown below.

**Tuesday 3 October and Tuesday 3 November.**