

Financial Highlights

December

Financial Highlights is a monthly publication of the RSU 19 Business Office. Look for key financial indicators of performance, fiscal information, and discussion of related and pertinent school funding topics.

More Changes Proposed to the Essential Programs and Services Model

A special commission is studying and will make recommendations to the Essential Programs and Services model funding based on suggested changes put forth in the Picus and Associates report presented to the legislature at the last session. If adopted, RSU 19 would benefit.

At the bottom of the ED 279’s first page is a **Labor Market Area “adjustment”** which has been a long-time fixture of the calculation. Depending on location, school districts would either have funds added or subtracted from their Total Allocation. For this school year, RSU 19’s Total Allocation has been reduced by \$522,313 because our LMA percentage is 0.94. Eliminating the adjustment would increase the Total Allocation by that amount.

Another possible change would revise the **Title I “adjustment”** in the EPS formula. Three options have been presented for discussion and each has varying cost implications. For FY 2015 the RSU 19 Total Allocation was reduced by \$649,093 for Title One. It’s unclear what would be the effect on that reduction given the various options. The mil expectation change for the three options range from 8.11 to 8.51. The current EPS mil expectation is 8.10.

The Education Committee is planning to take testimony on the various proposals in the coming session. There are cost implications at the state and local level for each option.

Important Numbers at a Glance

Cash Balance at end of November (all accounts)	\$ 1,297,584.88	The cash balance includes the payables and payroll accounts at Skowhegan Savings Bank. Revenue and receipts include amounts received for federal
Revenues & Receipts in November (all sources)	\$ 1,947,237.14	
General Fund Expenditures in November	\$ 1,658,504.30	

programs, adult education and small amounts not attributed to the General Fund. Based on instructions from DOE, short-term borrowing is not shown as revenue. Expenditures are only those charged to the General Fund. Charges against Other Funds, i.e. school nutrition, will impact Cash but not be posted as an expense to the General Fund.

Detailed Revenue Discussion for November of November Activity

Revenue and Receipt amounts for November were just under \$2-million. Three of the eight **municipalities** sent assessments in the month by the required 20th of November. Six of eight paid by month’s end; two remaining towns sent payments in the first week of December.

November was the first month in which the RSU needed to arrange for **short-term financing** in order to meet month-end payroll and payable obligations. A number of conditions presented themselves at the end of the month contributing to a

“Bridge” financing for 5 days to meet payroll and payables at month-end

Amount	Interest Charged
\$400,000.00	\$230.13

lean cash position. There was an extraordinarily high one-time local debt service payment which drew down on cash in late October. The second payroll of the month was planned earlier because of the Thanksgiving holiday and required commitment of funds to cover ACH (Automated Clearing House) scheduled payments one day earlier than normal. Finally, the State subsidy payment was sent one day later than normal, on the twenty-sixth of November. At the end, we missed what would have been a more normal commitment of cash by forty-eight hours!

It seems as if we might have near identical circumstances in December. The second payroll falls on Christmas Day which is also when the State subsidy is scheduled to arrive.

RSU 19's Financial Highlights for December 2015

Detailed Expense Discussion | Five Month Average and November

Below is a table of General Fund expenditures to date using the standard cost centers, and a comparison to the adopted and approved budget amounts for fiscal year 2015.

General Fund Monthly Expenditures as a Five Month Average and in November

Five Monthly Average- July to November \$1,979,482.22	Expenditures for the month of November \$1,658,504.30
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Expenses in some cost centers appear to be close to the straight-line projection of **42.2 percent**, a condition which suggests a continued level of robust spending. Be aware the expected teacher July and August salary audit adjustment to fiscal year 2014 is

awaiting agreement with the auditor and should reduce percentages in Cost Center 1.

Expenditures in November resumed a more normal pace at \$1.659-million. Because of the “balloon payments” for debt service recorded in October, the monthly average through the first five months is running slightly ahead of the monthly straight-line average of \$1,897,933.87.

Fiscal Year 2015 General Fund Budgeted and Expended Amounts to Date

Cost Center Number & Description	Budgeted Amount	Expended Amount	Percent Expended
1 Regular Instruction	\$ 9,053,730.35	\$ 3,869,032.13	42.7
2 Special Education	3,436,321.41	1,274,424.62	37.1
3 CTE Instruction	236,188.55	98,945.81	41.9
4 Other Instruction	384,771.44	166,317.04	43.2
5 Student & Staff Support	1,701,017.77	647,882.58	38.1
6 System Administration	752,039.36	404,560.45	53.8
7 School Administration	1,321,359.36	521,615.56	39.5
8 Transportation	1,840,814.64	786,994.24	42.8
9 Facilities Maintenance	2,577,179.64	834,709.10	32.4
10 Debt Service	1,471,783.40	1,292,929.59	87.8
11 Contingency & Other	0	0	0
Grand Total	\$22,775,206.42	\$9,897,411.12	43.5

General Fund expenditures in November resumed more normal levels after the larger than normal outlays in October. The debt service payments, some coming from the State for school construction but still carried in the district’s budget, show most of that cost center having been expended for the year.

The dollars expended in November were comparatively modest, and most cost centers are running at or just below the straight-lined prorated amount. The expected application of correcting journal entries for July and August summer wages, will reduce the Regular Instruction line to a better percentage expended. Because of expected late receipts from municipalities and the State subsidy, the Business Office is planning to cope with a thin cash balance in December.

The Next RSU 19 Finance Committee Meeting | December 9th

The RSU 19 Finance Committee regular meeting is the 2nd Tuesday of the month at 6:30 in the conference room at the Central Office. The next meeting is **Tuesday, December 9th**. All are welcome! **Best Wishes to all honoring this time of the year with special celebrations and remembrances.**