Finance Subcommittee Report

Date: March 19, 2014
Committee: Finance Subcommittee
Chair: John Morang
Meeting Date: March 5, 2014
Members Present: John Morang, John Ricker, Kate Brown and Shannon Welsh, Superintendent

Review RPC Funding Formula:
Moved to table until the April 9, 2014 Finance meeting as a new Board Member for Durham will be elected in early April.

Review of the 2012/2013 Audit & Undesignated Fund Balance:
The Finance Director presented and reviewed the bound version of the 2012/2013 financial audit. There were no material weaknesses or significant deficiencies that were identified. Once again there were a few suggestions from the Auditor for improvements within the Business Office and schools that are currently being implemented. Kelly noted that new federal regulations, which require healthier whole-wheat choices as well as federally required increases in lunch prices, have contributed to a shortage in the School Nutrition program. The 2014/2015 budget reflects an increase in the local School Nutrition contribution of $50,000 to help offset a portion of the shortage. The local contribution of $105,000 has remained flat over the past three years even as wage and benefit increases have been approved through the collective bargaining agreement. The audit shows an undesignated fund balance of $759,907, this is made up of Adult Ed Fund Balance of $1,633, Fuel Reserves of $74,013, Capital Reserves of $70,003, as well $496,000 the amount earmarked to offset taxation in the 2013/2014 budget year. This leaves a true undesignated fund balance total of $118,258. The Director and Superintendent felt this level was too low to allow for any use of fund balance to help offset taxation for the 2014/2015 budget year.

Set Meeting Date for Review of Financial Health/Budget Priorities with Towns:
Superintendent Welsh presented a memo and the copy of the 2014/2015 Budget Calendar which was sent to RSU5 member town’s Governance Officials and Budget Committees inviting them to attend the initial budget presentation on March 25th and 26th at Freeport High School Cafeteria as well as the budget related Board Meetings that will be held in the individual communities on April 9 (Pownal Elementary School) and April 30 (Durham Community School).

Next Meeting: April 9, 2014
• Warrant Signing
• Review RPC Funding Formula

Submitted by: Kelly Wentworth, Finance Director