

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

Minutes

10/25/11

Members in attendance: B. Poirier, J. Laux, M. Brooks, M. Hodgins, Auditor Charemon Davis, administrators – F. Anderson, A. Miller, K. Gilbert, Business Manager L. Glidden, and Superintendent Gallagher

Item 1. Audit Review – Charemon Davis, C.P.A. of RHR Smith & Company provided the members of the budget committee and the administrators with a draft of the FY'11 audit. She commented that her firm was revising some parts of their district audits. The draft included color bar graphs and pie charts to highlight the spreadsheet reports. She also simplified the grant funds report and it now fit on one sheet. She then stepped the group through the audited results of FY '11. Of particular note was the undesignated fund balance at the end of the fiscal year - \$391, 324. This was of particular importance since the budgeted carry forward amount for FY'11 was greater than the amount remaining from FY'10 and the curtailment of state funding in FY'11. Of the \$391,324 remaining in the undesignated fund balance \$100,000 was used for the current budget FY'12. The committee also discussed the loss of subsidy resources with the significant reduction in Maine Care funding and interest income. Interest income is reduced because of the method now used by the state when making payments for the entitlement grants. The district now has to “front” those funds and then requested reimbursement after the expenditures. This has the potential to cause cash flow issues.

The committee then discussed any anticipated or potential short falls of revenue in this fiscal year. Auditor Davis and Superintendent Gallagher indicated that they didn't anticipate any less state GPA funding. However, Superintendent Gallagher shared that he just learned of a shortfall/curtailment of funding in Title I and Title II funding because of budget battles and resulting cuts at the federal level. Title I reduction coming to the state amounts to \$700,000 and Title II reductions are \$120,000. This is of concern since the original amount provided to the district was used to build the FY'12 budget and staff have already been employed.

Item 2. Review of September Expenditure Report –Mrs. Glidden had prepared the expenditure report information which indicated that the Warsaw periodicals line that was noted as over expended last month had increased. Mrs. Glidden explained that when the budget for the periodicals line was submitted a mistake was made in entry. Two other over expended lines were of concern to Mrs. Anderson. The instructional supplies line

and the supplies local materials at Manson Park were over expended by approximately \$40. She suspected that there would be more instructional supply and supplies for local materials needs as the year continued.

Item 3. Review of Monthly Budget Calculations chart - As of September 30, 2011, 20.13% of the total budget has been expended in comparison to 20.54% expended at this same time last year. This is also in comparison to 20.65% in FY'10, 20.37% in FY'09 and 20.16% in FY'08. It was noted that the percent of expenditure at the end of September is approximately .41% lower than last year's expenditure at the same time.

With no other business before the committee, the meeting adjourned at 6:05 P.M.

Respectfully submitted,

Michael A. Gallagher