

# Regional School Unit No. 18

## FINANCIAL OVERVIEW

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*RUNYON KERSTEEN OUELLETTE*

### **INSIDE**

2. Summary of Audit Results
3. General Fund – Fund Balance
4. General Fund – Unassigned Fund Balance as a Percentage of Budget
5. General Fund – Revenues
6. General Fund – Expenditures
7. General Fund – Expenditure Distribution FY 2025
8. General Fund – Expenditure %'s Comparative

### **About this presentation**

This presentation is intended as a tool to assist the School Board and management in understanding its financial operating results. The information contained in this publication should be read in conjunction with the audited financial statements and related disclosures and should not be used for any other purposes without the expressed consent of *RUNYON KERSTEEN OUELLETTE*.

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# Regional School Unit No. 18

## SUMMARY OF AUDIT RESULTS

- **Timing of the Audit**

- Pre-audit May 7-8, 2025
- Audit week of September 2, 2025
- Reports issued January 12, 2026

- **Financial Statement Opinion - Unmodified**

- **Report Required by Government Auditing Standards (GAS)**

- No compliance findings
- No material weaknesses or significant deficiencies

- **Report Required by Uniform Guidance**

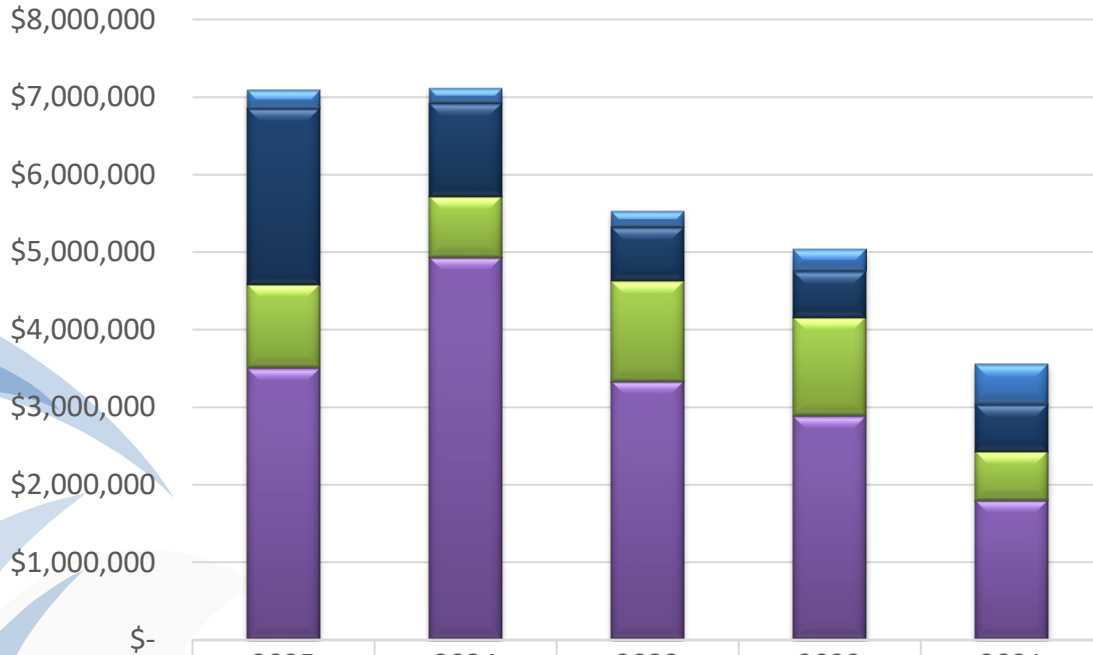
Programs tested:

- **School Nutrition Cluster**
  - No findings
- **Special Education Cluster (Local Entitlement)**
  1. Allowable Costs
  2. Procurement, Suspension and Debarment



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## General Fund – Fund Balance



	2025	2024	2023	2022	2021
■ Nonspendable	237,032	190,068	205,834	273,313	521,566
■ Committed	2,273,547	1,200,000	700,000	600,000	605,000
■ Assigned	1,073,621	787,727	1,296,946	1,267,614	633,152
■ Unassigned	3,508,336	4,933,291	3,329,495	2,889,539	1,799,120

- **Nonspendable fund balance** represents amounts that are in nonspendable form, such as prepaid expenditures.

- **Committed fund balance** represents amounts set aside for fuel stabilization and a capital reserve.

- **Assigned fund balance** represents amounts set aside for technology, and fund balance budgeted to be used in FY 2026.

- **Unassigned fund balance** represents the remaining fund balance not committed or assigned for specific purposes.

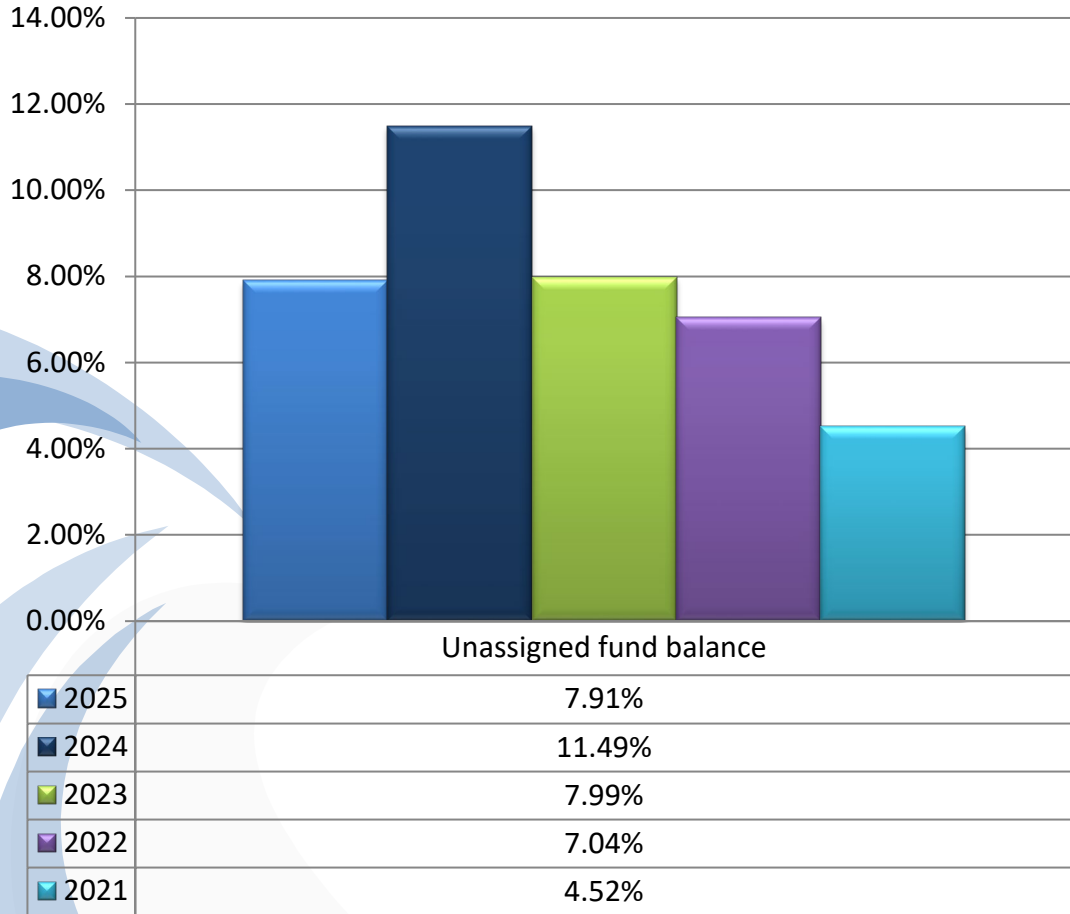
- **Unassigned fund balance** decreased by \$1,424,955 from FY 2024.

- **Total fund balance** decreased by \$18,550 from FY 2024.



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## General Fund – Unassigned Fund Balance as a Percentage of Budget



- In FY 2025, the State of Maine permanently increased the threshold of maximum unassigned fund balance to be carried forward as unallocated fund balance to 9%.
- Based on the new threshold, the maximum unassigned fund balance for FY 2025 would be \$3,993,975. The FY 2025 unassigned fund balance of \$3,508,336 is under this threshold by \$485,639.
- Amounts in excess of the State’s threshold may be carried forward and used over a period not to exceed 3 years.



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## General Fund – Revenues

	Budget	Actual	Variance
Local assessments	\$ 27,495,699	27,495,699	-
State subsidy	15,908,971	15,909,672	701
State agency clients	250,000	324,453	74,453
MaineCare	-	185,111	185,111
Tuition	60,000	95,757	35,757
Other charges for services	47,500	61,737	14,237
QSCB interest refund	35,325	14,897	(20,428)
Interest	50,000	125,427	75,427
Other revenues	30,000	29,670	(330)
<b>Total Revenues</b>	<b>43,877,495</b>	<b>44,242,423</b>	<b>364,928</b>
Budgeted use of fund balance	500,000	-	(500,000)
<b>Total revenues and other financing sources</b>	<b>\$ 44,377,495</b>	<b>44,242,423</b>	<b>(135,072)</b>

- **State agency clients revenue** was higher than anticipated due to changes in student population & need
- **MaineCare revenue** is not a budgeted amount.
- **Interest revenue** was higher than budgeted due to an increase in bank interest rates, and conservative budgeting.
- **Total revenues** were .83% higher than budgeted.
- **Use of fund balance** is a budgetary tool to balance the budget and reduce the impact on taxpayers.

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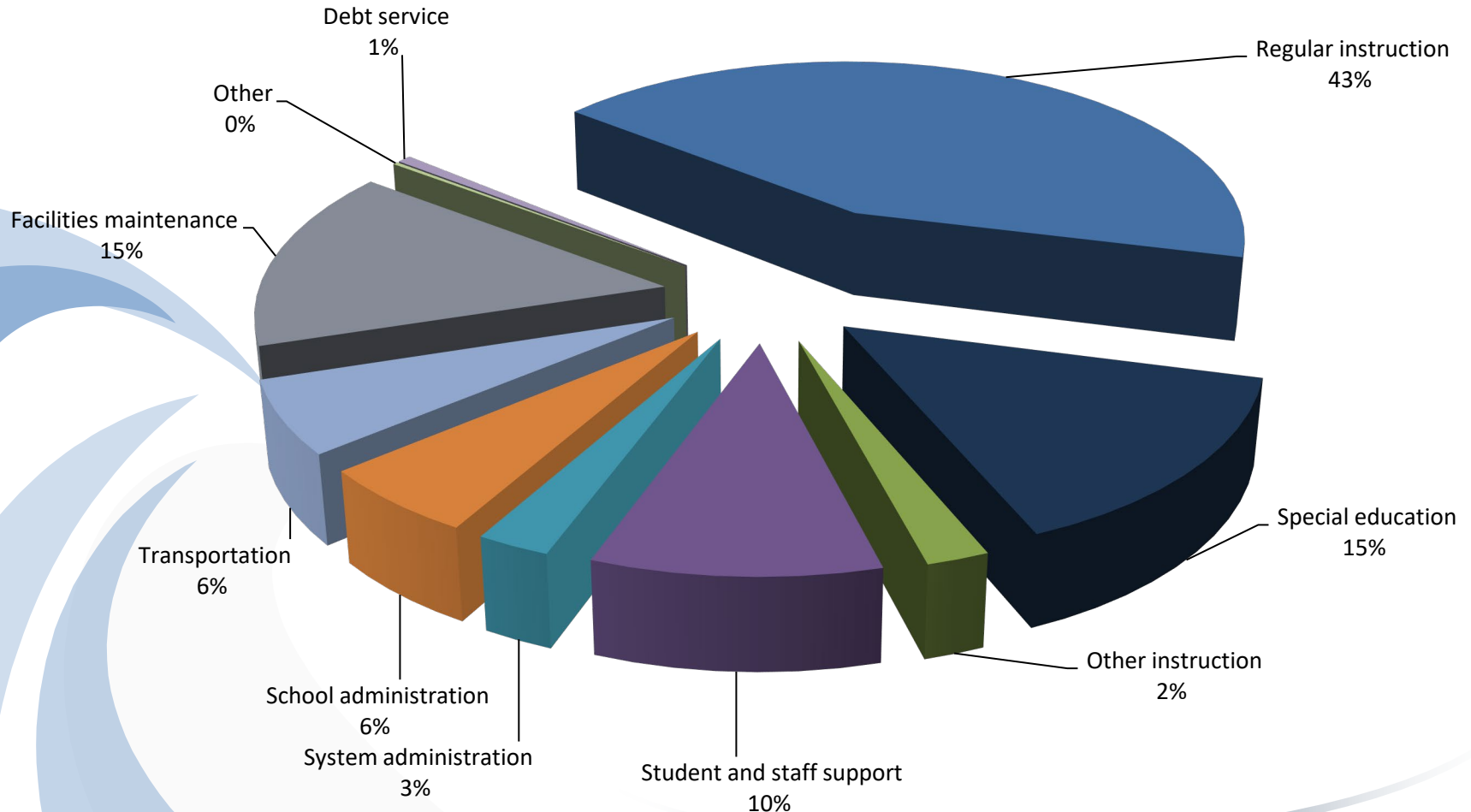
## General Fund – Expenditures

	Budget	Actual	Variance
Regular instruction	\$ 19,019,886	19,010,334	9,552
Special education	6,484,843	6,479,611	5,232
Career and technical education	8,000	-	8,000
Other instruction	954,218	951,664	2,554
Student and staff support	4,357,913	4,357,672	241
System administration	1,149,514	1,118,787	30,727
School administration	2,549,156	2,533,885	15,271
Transportation	2,753,414	2,714,342	39,072
Facilities and maintenance	6,718,838	6,717,757	1,081
Other expenditures	99,940	99,679	261
Debt service	281,773	279,424	2,349
<b>Total expenditures</b>	<b>\$ 44,377,495</b>	<b>44,263,155</b>	<b>114,340</b>

- **Budget amounts** represent final budgeted amounts, after 5% transfers as allowable under state statute.
- **Total expenditures** were 0.3% lower than budgeted.
- **Prior to transfers**
  - **Debt service** was overspent to reduce impact on future budgets
  - **Facilities Maintenance** was overspent due to additional maintenance projects during the year
  - **Regular and Special Education** were under spent due to student needs and staffing challenges.

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## GENERAL FUND – Expenditure Distribution FY 2025





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## General Fund Expenditures as a % of Total Expenditures - Comparative

	2025	2024	State-wide 2025	Over (under)
Regular instruction	43%	42%	38%	5%
Special education	15%	14%	19%	-4%
Career and technical education	0%	0%	2%	-2%
Other instruction	2%	2%	2%	-
Student and staff support	10%	10%	8%	2%
System Administration	3%	3%	4%	-1%
School Administration	6%	6%	5%	1%
Transportation	6%	6%	6%	-
Facilities and maintenance	15%	17%	11%	4%
Debt service	1%	0%	5%	-4%