



Minutes

RSU 21 Finance Committee

Thursday, October 9, 2025 (8:30 AM)

Kennebunk Elementary School Board Room

Also [via Google Meets](#)

Or dial: (US) +1 315-904-1377 PIN: 791 868 439#

Committee Members Present: (Chair) Britney Gerth, Megan Michaud, Bob Domine, and Brian McGrath; Absent: Mandy Cummings

Administration Members: Martin Grimm, Gwen Bedell Gadbois, Jenn Lynch

Special Guests: Christian Smith, CPA, Blake Potter, CPA - WipFli Independent Auditors

Community Members: Velma Hayes-Arundel

1. Call to Order by Britney Gerth @ 8:30 am
2. [Approval of the September 11, 2025, Minutes](#) - Motion by Megan Michaud, seconded by Brian McGrath; all approved.
 - a. [Supplemental Materials from 8/14/25 FC Meeting FYE25 Detailed Results](#) - These additional details were made available per public request.
3. New Business
 - a. Presentation of the FY25 Financial Statement Audit Results
 - i. [Communications Letter](#) - Blake Potter, Audit Manager with WipFli, reviewed the Communications Letter, which outlines the responsibilities of management and the auditors relative to the independent audit engagement. There were no issues or difficulties encountered during the audit.
 - ii. [Financial Statements 6.30.25](#) - Blake reviewed the financial statements for the fiscal year ended June 30, 2025 and confirmed that the RSU received an unmodified (i.e. "clean") audit opinion, and there were no deficiencies or material weaknesses in internal controls. This means that the District's financial recording and reporting processes are in compliance with generally accepted accounting principles. As a result of revenues being higher than expenditures in the amount of \$511,400, the unassigned General Fund balance increased to \$4,620,100. This is approximately 8% of the operating budget, while the current state mandate is 9%. For FY26, the state allowance is set to return to 5%, though there is legislation pending to increase it. To meet the 5% mandate, the fund balance would

need to be drawn down by \$3M. Any amount over the state percentage allowed would need to be spent within 3 years. The financial statements also reflect the mandatory implementation of GASB 101 which increases the liability for compensating balances. The RSU's cash is collateralized/FDIC-insured and generates interest income (*correction: approx. \$50K/month for general fund*) at Kennebunk Savings Bank; CY2024 generated over \$550K, and CY25 to date is \$409K.

- iii. Due to delays at the Federal and State level pertaining to compliance documentation, WipFli is not yet able to issue the Single Audit or MEFS Reconciliation. It was noted that the financial statement results (e.g. our unassigned fund balance and net revenues over expenditures) will not change, and the expected date to receive the Single Audit is on or October 31, 2025. While the audit report could have been delayed until the Single Audit was released, the RSU requested an expedited timeline so that finalized operating results could be made available to the public in light of the FY26 budget challenges.
- b. [Summary Financial Report for September YTD](#) - Gwen Bedell presented a summary of the current year's revenues and expenses through the 3-month period ending September 30, 2025.
 - i. YTD revenues are \$ 11.1M, while YTD expenses are \$ 10.6M. It is important to note that salary and benefits for personnel on a September to August contract (teachers, ed techs, transportation, and food service) have only one-month of paid expenses, and the month of June will reflect three-months of expenses.
 - ii. Revenues are \$3M behind last year, and behind budget, on account of local assessments waiting for revised amounts reflecting the 9/30 DBM, but will be caught up in October.
 - iii. Expenses are \$3.5M higher than last year, which is primarily related to the timing of the \$3.3M debt payment (Sep'25 v Oct'24) and increases in salary and benefit costs.
 - 1. Inquiry - Purchased Prof & Tech Services - All Other: YTD Actual is higher than the budgeted amount. Answer - there are budget adjustments pending transfer from Function Grp 5000: Other Purchased Services - All Other (\$104,368) to cover this.
 - iv. The financial statements reflect a modified accrual-method, not a cash basis. The finance office reviews the current cash balance on a weekly basis to monitor incoming revenues (90% are predictable and equally received) against outgoing expenses (salaries and benefits are fairly stable month to month, all other expenses are semi-variable).
 - v. Take away for Facilities Committee: Bob Domine requested that the District consider solar power options, particularly in light of the upcoming planned KES roof replacement project.

- c. [Detailed Financial Report for September YTD](#) - These additional details provide account line data points that support the Summary Financial Reports.
 - d. [Request for Proposals: Needs and Efficiency Assessment](#) - Dr. Grimm provided an overview of the RFP for a Needs and Efficiency Assessment, which outlines both general and specific areas of concern. The assessment will consider staffing ratios, program needs, contracted services versus full-time employees, as well as departmental structure, alignment of work and overall organizational effectiveness. The RFP is posted on the District's website and has been sent out to consultants who have experience and knowledge in this area. The RFPs will go through an extensive review process before the contract is awarded. The due date for reporting out results of the assessment is February 15, 2026, allowing sufficient time for the FY27 budget to reflect recommendations.
 - e. [Request for Proposals: Vehicle purchase to replace Van #2](#) - The District received one response with three vehicle options relative to the RFP for a Passenger Vehicle; the award went to Arundel Ford for the purchase of an AWD Ford Explorer costing approx. \$38K.
 - f. Process to Develop Procedure for Significant Budget Transfers - Due to time considerations, this item will be discussed at the next Finance Committee meeting. In the meantime, the Administration will research options to set a threshold and develop a procedure (or policy if needed) to ensure transparency of major budget adjustments.
4. Old Business
- a. Budget Validation Referendum - Tuesday, November 4th
 - b. [Supplemental Materials following the District Budget Meeting](#) - These materials provide summary information and detailed data regarding the revised FY26 Local Operating Budget that was approved by the community at the September 30th District Budget Meeting in preparation for the BVR on 11/4/25.
5. Adjournment - Britney Gerth adjourned the meeting at 10:08 am

Next Meeting: Thursday, November 13, 2025 @ 8:30 AM