

NOTES & COMMENTS
FY21 QUARTER 3 -- FINANCIALS AS OF 3/31/2021

Overview

By the end of the third quarter we have already turned our focus to budget preparations for the following fiscal year. In March of 2020 we had just closed our doors to the pandemic, and were struggling with uncertainty about the future financial health of our community. A year later we are in a more optimistic place – with the support of federal grant funds and the development of successful vaccines, our state, regional and local economies have fared considerably better than expected.

Expenditures

The end of the third quarter is 75% through the fiscal year and 73% through the school year. As usual in our quarterly financial statements, this report includes columns showing comparative percentages from the second quarter of the two prior fiscal years, to help us identify and address any notable variances. The shift in payroll timing described in the Quarter 2 report is now balanced out, although the comparison with FY20 figures is still impacted by the delay in ratification of the Teachers’ collective bargaining agreement (retro pay was issued in June 2020).

Because of the need to curtail many normal school activities as well as the difficulty in filling open staff positions in the pandemic environment, there are some significant areas of FY21 budgeted funds which will not be fully expended. Several of these areas were described in the Quarter 2 financial report, and this report provides a more detailed projection of expected areas of budget savings. An understanding of the projected surplus created will allow us to responsibly allocate fund balance as revenue for FY22.

In development of our FY21 operating budget, \$556,000 was included in direct response to the expected costs of reopening schools during the pandemic. Here is an update on the status of those specific funds:

Purpose	Amount	Status
2.0 School Nurse positions for K-2 schools	162,000	Positions filled – we now have full-time nurses in all buildings. Overall budget savings of \$40,000 projected due to turnover and savings over estimated costs in the hiring process.
Facilities upgrades - school clinics	100,000	Used CRF funding for clinics – local funds have been spent instead on other facilities modifications, cleaning supplies and PPE.
Sanitation: cleaning supplies, handwashing, PPE	28,000	Used CRF funding for July – December, local funds for remainder of school year.
Summer student supports (assessment, ESY, learning recovery)	100,000	Approx. \$70,000 used to date for staff support, additional assessments and instructional materials – remaining funds earmarked for ongoing learning recovery interventions.

Targeted K-12 professional development	40,000	Used CRF funding for July – December. Used Wednesday afternoons all year for PD time within contract hours = no additional cost. Year-end surplus projected.
3.0 Bus Drivers	126,000	Unfilled as of 3/31/21. Year-end surplus projected.

Revenues

As described in the Quarter 2 report, revenue shortfalls continue in Quarter 3 and are expected to persist in all areas apart from local taxes and state subsidy. Our year-end projections include the use of general fund expenditure surplus to make up for revenue shortfall as we experienced at the end of FY20.

Other Funds

The Adult Education program continues to offer courses both online and in person, although at a reduced level. This report shows a current fund balance of \$61,014, due to reduced spending against the full level of tax revenue provided this year. While a small fund balance is typically generated and used for revenue in following years, this year’s unusual circumstances will allow us to allocate additional fund balance for FY22.

School Nutrition continues to operate under the USDA summer feeding program, which has again been extended to school districts and communities across the country, now running through September 30, 2021. This program has been critical to the health and safety of our students and their families during the pandemic, and combined with our robust Backpack Program, has been an essential community support. That said, program costs are not fully covered by the USDA reimbursement, and we are not generating any food sales revenue, therefore we anticipate a larger than usual general fund transfer at year end which is also reflected in our year-end projections.

We have expanded the Federal Restricted Funds section of the financial report to include the CARES Act funding; details on these funds can be found in the FY22 School Budget Book.

Capital Projects

The CIP expense report for Quarter 3 reflects a slowed pace of spending as the Facilities Department has devoted their energy to both CRF-funded projects and the ongoing work of planning for school reopening. Major HVAC work at the Middle School has been reduced due to limited building access under new safety protocols, but regular planned maintenance projects in several budgeted areas will continue over school breaks and into the summer months.

In Summary

Through careful planning and strategic choices, savings forced by pandemic conditions, and a healthy dose of federal support, we have been fortunate to pass through this extraordinary year on a solid fiscal footing. Our safe return to full in-person learning in the Fall of 2021 will rely on having the necessary financial resources, and we appreciate the support of our community as we plan for the work that lies ahead.

FY21 YEAR-END PROJECTIONS

Although expenditures in many ways are following typical patterns, there are a number of areas being affected by the pandemic environment. As of the end of Quarter 3, we are able to predict with a high degree of accuracy some expected budget outcomes:

Areas of expected savings – Personnel Costs Along with ordinary fluctuations in individual salary/wage and benefit accounts due to turnover and personnel changes, there are a number of significant items to note as a result of this year’s unusual conditions:	Estimated value
School Nurses Two new positions were created in the FY21 budget, and two existing positions experienced staff turnover, creating savings over our budget estimates.	40,000
Special Education Teachers & Professionals Turnover, open positions and hiring delays have left spending short of budgeted projections.	100,000
Special Education Ed Techs Difficulty in hiring for new and open positions has been compounded by the pandemic environment. Savings in this area reflect staffing deficits across the district.	385,000
District-wide Instructional Technology & Library Media Specialist Due to retirement and elimination of existing positions in the FY21 budget, this open position was extensively redesigned and was not filled until April 2021.	55,000
Maintenance workers A full-time position open due to the resignation of a staff member in April of 2020 has not yet been filled.	50,000
Bus drivers - open positions The FY21 budget included \$126,000 to hire three extra drivers to allow for required social distancing, but those positions have so far been unfilled, as have two additional positions empty due to staff turnover.	165,000
Bus drivers - extra wages Spending on additional wages has been reduced: sports trips are limited, community services trips have not been scheduled, and spare drivers have not been available.	35,000
Instructional substitutes Long-term supplemental substitutes have been charged to the CRF grants, while day-to-day subs have been virtually impossible to find.	200,000

Areas of expected savings – Other expense types	Estimated value
Special Education tuition MaineCare reimbursement issues for special purpose private schools have been resolved, student placements changed.	140,000
Staff professional development Savings in both stipends and contracted services: Wednesday afternoons have been available all school year for PD within contract hours; online professional learning opportunities less expensive than conferences.	60,000
Student instructional activities Field trips & assemblies not held this year.	20,000
Athletics & Activities Programs reduced & limited this year: Middle School sports, Wentworth Clubs, High School officials, ice and pool time, contracted transportation.	150,000
Bus fuel & vehicle maintenance Lower expenditure levels in vehicle maintenance, with the addition of new buses to our fleet as well as less wear and tear on vehicles with low ridership. Lower fuel use with most parents transporting students to school.	75,000
Facilities repairs CRF funds used for COVID modifications; limited access for regular work leads to reduced use of outside contractors.	50,000

Total anticipated significant surplus	1,525,000
Other year-end balances total (combined small surplus & shortfall)	300,000
Estimated revenue shortfall (fees, facility rentals, SAC)	(180,000)
Estimated School Nutrition deficit	(595,000)
Estimated available FY21 surplus generated	1,050,000
Need for FY22 (to reach \$700,000)	(52,000)
Preserve surplus for FY23 revenue	(698,000)
Available to add to FY22 revenue	300,000

Total FY21 operating budget =	53,311,243
Projected surplus =	1,050,000
Percentage of budget =	1.97%

**Scarborough Public Schools
2020-21 Financial Report
As of March 31, 2021**

	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY21 % Used	FY20 % Used	FY19 % Used
General Fund Expenditures: (including encumbrances)							
Regular Instruction:							
Regular Instruction Programs	21,553,813	21,561,313	15,778,208	5,783,105	73.2%	72.7%	75.8%
English as a Second Language (ESL)	395,680	395,680	300,291	95,389	75.9%	74.4%	78.1%
Gifted and Talented Programs	353,818	353,818	265,288	88,530	75.0%	72.9%	75.4%
Special Education Instruction	10,192,033	10,192,033	6,796,628	3,395,405	66.7%	69.1%	72.1%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	209,165	209,165	75,102	134,063	35.9%	67.7%	62.4%
Extra-Curricular	1,100,125	1,100,125	603,712	496,413	54.9%	76.7%	75.5%
Student & Staff Support:							
Guidance Services	1,600,825	1,593,325	1,190,559	402,766	74.7%	72.3%	76.4%
Health Services	862,618	862,618	576,247	286,371	66.8%	71.1%	74.3%
Improvement of Instruction	992,791	992,791	663,175	329,616	66.8%	75.3%	70.6%
Instructional Technology	1,060,985	1,072,080	667,656	404,424	62.3%	62.6%	59.9%
Library Services	748,394	748,394	531,592	216,802	71.0%	69.7%	74.2%
System Administration	1,288,363	1,288,363	925,018	363,345	71.8%	75.6%	77.8%
School Administration	1,795,733	1,795,733	1,306,374	489,359	72.7%	72.1%	74.2%
Transportation	1,682,774	1,682,774	932,006	750,768	55.4%	71.0%	76.9%
Facilities & Maintenance	4,164,388	4,154,188	2,859,299	1,294,889	68.8%	72.9%	76.0%
Debt Service	5,309,738	5,309,738	4,177,199	1,132,539	78.7%	80.9%	81.4%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	53,311,243	53,312,138	37,648,355	15,663,783	70.6%		
FY20 Year-to-date	51,426,993	51,426,993	37,390,862	14,036,131		72.7%	
FY19 Year-to-date	48,526,504	48,526,504	36,538,469	11,988,035			75.3%

	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY21 % Rec'd	FY20 % Rec'd	FY19 % Rec'd
General Fund Revenues:							
Town Funding - Local Taxes	48,195,356	48,195,356	48,195,356	0	100.0%	100.0%	100.0%
Use of Fund Balance	700,000	700,000	700,000	0	100.0%	100.0%	100.0%
State Subsidy - GPA	4,035,887	4,035,887	3,056,428	(979,459)	75.7%	73.5%	72.1%
MLTI State Reimbursement	0	0	0	0	0.0%	100.0%	100.0%
State Agency Client Funding	80,000	80,000	6,772	(73,228)	8.5%	35.8%	37.6%
Comm. Services Daycare (rent space)	35,000	35,000	0	(35,000)	0.0%	0.0%	46.3%
Community Services Transportation	25,000	25,000	0	(25,000)	0.0%	0.0%	82.0%
Winslow Homer/Facility Rental Fees	30,000	30,000	0	(30,000)	0.0%	35.0%	47.2%
Student Sports/Activity Fees	140,000	140,000	55,228	(84,772)	39.4%	62.8%	81.5%
Other Miscellaneous Revenue	70,000	70,000	59,493	(10,507)	85.0%	71.0%	88.9%
Total Revenue	53,311,243	53,311,243	52,073,276	(1,237,967)	97.7%	97.8%	98.1%

**Scarborough Public Schools
2020-21 Financial Report
As of March 31, 2021**

OTHER FUNDS

Adult Education:

	Approved	Revised	Year-to-date	Budget	FY21	FY20	FY19
Expenditures	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & benefits (instructors & program admin)	170,498	170,498	77,394	93,104	45.4%	75.2%	68.6%
General supplies & operations	11,310	11,310	7,792	3,518	68.9%	78.0%	84.7%
Instructional supplies, software & equipment	12,750	12,750	6,712	6,038	52.6%	65.7%	68.7%
Expenditure totals	194,558	194,558	91,898	102,660	47.2%	74.7%	69.6%
Revenues	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>Balance/ (Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Town Funding - Local Taxes	91,370	91,370	91,370	0	100.0%	100.0%	100.0%
Use of Fund Balance	2,527	2,527	2,527	0	100.0%	100.0%	100.0%
State Subsidy - Adult Ed	39,143	39,143	38,179	(964)	97.5%	103.3%	91.4%
Grant Funds	4,000	4,000	6,641	2,641	166.0%	100.0%	0.0%
Adult Ed Tuition	57,518	57,518	14,195	(43,323)	24.7%	32.6%	42.7%
Revenue totals	194,558	194,558	152,912	(41,646)	78.6%	74.7%	80.8%

Adult Education YTD fund balance 61,014

School Nutrition Program:

	Approved	Revised	Year-to-date	Budget	FY21	FY20	FY19
Expenditures	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & Benefits	1,135,855	1,135,855	758,890	376,965	66.8%	74.3%	82.9%
Food & Beverages	567,500	567,500	195,613	371,887	34.5%	75.1%	80.2%
Contracted Services (software & repairs)	18,000	18,000	16,989	1,011	94.4%	124.0%	101.4%
Supplies & Equipment	54,200	54,200	20,339	33,861	37.5%	59.9%	76.7%
Operations	1,550	1,550	1,079	471	69.6%	58.1%	55.5%
Expenditure totals	1,777,105	1,777,105	992,910	784,195	55.9%	74.6%	81.9%
Revenues	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>Balance/ (Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Town Funding - Local Taxes	200,000	200,000	200,000	0	100.0%	100.0%	100.0%
Food Sales	1,327,105	1,327,105	10,980	(1,316,125)	0.8%	62.9%	73.9%
Federal Funding (USDA)	212,000	212,000	0	(212,000)	0.0%	34.7%	44.7%
State Funding (DOE)	18,000	18,000	10,527	(7,473)	58.5%	79.7%	96.1%
Summer Meal Program	20,000	20,000	424,790	404,790	2123.9%	26.3%	56.6%
Revenue totals	1,777,105	1,777,105	646,297	(1,130,808)	36.4%	62.8%	72.3%

School Nutrition YTD fund balance (346,612)

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Federal Restricted Funds:	<u>Beg. Balance</u>	<u>FY21 Grant Funds Available</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>Available Funds*</u>
Covid Relief Fund (CRF) #1	0	2,120,670	1,592,496	2,114,110	6,560
Covid Relief Fund (CRF) #2	0	2,216,442	1,559,911	2,066,171	150,271
Covid Relief Fund Adult Ed	0	8,575	8,575	8,575	0
ESSER I	0	106,145	0	23,915	82,230
Title IA	0	156,007	27,222	81,330	74,676
Title IIA	0	99,635	1,724	49,672	49,963
Title IVA	0	20,516	12,377	12,377	8,139
Pre-K Local Entitlement	0	9,567	0	0	9,567
Local Entitlement	0	812,578	1,960	448,099	364,479
Total Federal Restricted	0	5,550,134	3,204,263	4,804,248	745,886

*reimbursement pending - Federal funds are disbursed after actual expenditures are reported

Grants & Trusts:	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance</u>
Louis & Tina Fineberg Trust	136,743	0	0	136,743
Scarborough Education Foundation	28,758	6,905	3,130	32,533
Local grants & donations	30,292	9,595	9,626	30,261
CC Admin Recertification (fiscal agent)	326	8,500	4,238	4,588
Tech Maintenance Fees	215,418	0	150,699	64,719
School Nutrition Special Programs	7,758	15,805	13,075	10,488
PEPG State Grant	588	0	0	588
Proficiency-based Graduation Grant	3,083	0	0	3,083
Total Grants & Trusts	422,966	40,805	180,768	283,003

School CIP project account status

as of 3/31/2021

FACILITIES	Account #	Budget Balance as of 6/30/2020	FY21 Budgeted	FY21 YTD Expenses*	Budget Balance as of 3/31/2021
Long-range Planning	73001798 570000	3,173	100,000	0	103,173
District-wide Energy Impr	73001803 570000	162	0	0	162
District-wide Plumbing	74001739 570000	35,413	0	1,990	33,423
Eight Corners Modulares	74001748 570000	325	69,646	69,971	0
Pleasant Hill Modulares	74001729 570000	8,155.39	223,336	172,730	58,762
District-wide Roofing	74001771 570000	(0)	0	0	(0)
District-wide Interior Finishes	74001772 570000	1,416	75,000	22,154	54,263
District-wide Security & Access	74001787 570000	163,217	0	19,848	143,369
District-wide Flooring	74001791 570000	3,735	0	1,592	2,143
District-wide Movable Equipmt	74001792 573100	117,867	159,160	88,089	188,939
HS Auditorium	74001793 570000	2	0	0	2
District-wide Building Envelope	74001794 570000	47,604	0	0	47,604
District-wide Grounds & Site Mtce	74001805 570000	1,062	0	650	412
Athletics Facilities/Equipment	74001807 570000	22,013	0	0	22,013
HS Science Labs Retrofit	74001808 570000	50,000	0	0	50,000
District-wide HVAC/Mechanical	74176800 573100	142,791	633,000	202,016	573,775
Facilities Support/Equipment	74176900 573100	1,335	49,000	5,836	44,499
Facilities Support/Vehicles	74176900 573200	714	0	0	714
TOTALS		598,985	1,309,142	584,875	1,323,252

TRANSPORTATION

Bus purchase/lease	74001712 573600	5,927	255,000	229,000	31,927
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TECHNOLOGY

Equipment Replacement	74001784 573100	(0)	148,255	148,255	(0)
New Equipment	74001799 573100	27,779	100,815	128,457	138
TOTALS		27,779	249,070	276,712	137

*including encumbrances

GRAND TOTALS		632,691	1,813,212	1,090,586	1,355,317
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