

NOTES & COMMENTS
FY19 QUARTER 3 -- FINANCIALS AS OF 3/31/2019

Overview

At the end of the third quarter each year we are focusing most of our energy on preparing a budget proposal for the next fiscal year. That said, we continue to monitor our financial status in the current year, and rely on this data to make responsible adjustments for both FY19 and FY20.

Expenditures

The end of the third quarter is 75% through the fiscal year and 73% through the school year. You will see in this financial statement that General Fund expenditures in most cases run close to this budget-to-actual range and are consistent with the percentages spent in prior years shown for comparison. The shift in payroll expense timing described in the Quarter 2 report is now balanced out.

Here are a few variances of note:

Co-Curricular -- At this time of year, co-curriculars typically lag behind the 75% mark because most club advisor stipends are paid half in December and half in June.

Improvement of Instruction -- As described in the Quarter 2 report, a slightly lower rate of expenditure in this category reflects the resignation of a key staff member over the summer of 2018. The open position was not filled until February, so we anticipate a small budget savings at year-end due to the delay in hiring.

Instructional Technology -- Spending in this category shows a different pattern from other categories due to the timing of personnel costs. As usual, we will post salary and benefit costs for IT staff for the second half of the fiscal year after the close of the fourth quarter, in the form of a journal transfer to the Town.

System Administration -- As we saw in Quarter 2, this category shows a slightly higher rate of expenditure than prior years, primarily due to district-wide legal expenditures. Much of this cost was related to collective bargaining (mediation and fact-finding for the Bus Drivers CBA as well as preparations for Teacher contract negotiations).

Transportation -- Increased spending in this category reflects both the implementation of the new Bus Drivers collective bargaining agreement, with retro pay adjustments made in January 2019, and the use of some contracted buses for regular student transportation runs (as well as the athletic trips reflected in the Extra-Curricular category).

Revenues

While most of our General Fund revenues are tracking well and are consistent with prior years, we are taking note of a few projected shortfalls in this report. As we know, our State Subsidy has been reduced by \$40,462 due to the failure of the proposed Greater Sebago Education Alliance Regional Service Center to pass at the polls in November. We will also most likely see a shortfall in State Agency Client reimbursements due to turnover of eligible students.

Other Funds

Adult Education expenses and revenues continue to trend slightly lower this year than in prior year reports, but the fund as a whole maintains a positive balance. As we began to see in the second quarter, School Nutrition expenses are outpacing revenues despite continued growth in sales, primarily due to personnel costs. Federal grant reimbursement is coming in on schedule at this point, and we expect to have all receipts in by the time we close out the fiscal year.

NOTES & COMMENTS

FY19 QUARTER 3 -- FINANCIALS AS OF 3/31/2019

Capital Improvement Projects

As usual, this report includes a year-to-date summary of our capital improvement project (CIP) accounts. This report does not yet reflect expenditures related to our recent work to address enrollment projections and space concerns at the K-2 schools, however you may note the preliminary spending in the pavement maintenance account in preparation for the construction of the new parking lot at Eight Corners School. For multi-year project accounts, anticipated year-end budget balances have been taken into account when building the FY20 Capital Budget request.

In Summary

Third quarter financial reports come at a time when our attention is focused on the coming year, but we must not lose sight of the need for careful fiscal management of today's resources. Providing for the daily needs of our students and staff while preserving resources for the coming year is the challenge we strive to meet.

**Scarborough Public Schools
2018-2019 Financial Report
As of March 31, 2019**

General Fund Expenditures: (including encumbrances)	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY19 % Used</u>	<u>FY18 % Used</u>	<u>FY17 % Used</u>
Regular Instruction:							
Regular Instruction Programs	19,465,413	19,470,503	14,754,242	4,716,261	75.8%	74.7%	74.4%
English as a Second Language (ESL)	354,532	354,532	276,899	77,633	78.1%	75.3%	76.9%
Gifted and Talented Programs	332,061	332,061	250,287	81,774	75.4%	75.3%	76.3%
Special Education Instruction	8,324,229	8,324,229	6,003,989	2,320,240	72.1%	71.1%	70.9%
CTE Instruction (Career & Technical Ed)	9,000	9,000	0	9,000	0.0%	100.0%	100.0%
Other Instruction:							
Co-Curricular	168,000	168,000	104,772	63,228	62.4%	62.4%	69.0%
Extra-Curricular	1,115,875	1,115,875	841,970	273,905	75.5%	87.0%	84.0%
Student & Staff Support:							
Guidance Services	1,411,113	1,406,023	1,074,417	331,606	76.4%	73.8%	73.1%
Health Services	664,988	664,988	493,943	171,045	74.3%	75.9%	76.5%
Improvement of Instruction	865,376	865,376	610,737	254,639	70.6%	70.1%	74.6%
Instructional Technology	1,173,481	1,173,481	703,366	470,115	59.9%	58.1%	65.7%
Library Services	694,609	694,609	515,646	178,963	74.2%	67.4%	70.7%
System Administration	1,074,587	1,074,587	836,189	238,398	77.8%	70.9%	75.7%
School Administration	1,831,630	1,831,630	1,359,302	472,328	74.2%	74.0%	73.0%
Transportation	1,436,878	1,436,878	1,105,422	331,456	76.9%	59.8%	66.3%
Facilities & Maintenance	3,913,660	3,913,660	2,973,025	940,635	76.0%	74.3%	74.7%
Debt Service	5,691,072	5,691,072	4,634,261	1,056,811	81.4%	80.8%	80.6%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	48,526,504	48,526,504	36,538,469	11,988,035	75.3%		
FY18 Year-to-date	47,125,168	47,125,168	34,895,150	12,230,018		74.0%	
FY17 Year-to-date	45,855,067	45,855,067	34,134,656	11,720,411			74.4%

General Fund Revenues:	<u>Estimated Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY19 % Rec'd</u>	<u>FY18 % Rec'd</u>	<u>FY17 % Rec'd</u>
Town Funding - Local Taxes	44,705,600	44,705,600	44,705,600	0	100.0%	100.0%	100.0%
Use of Fund Balance	500,000	500,000	500,000	0	100.0%	100.0%	100.0%
State Subsidy - GPA	2,744,404	2,744,404	1,979,771	(764,633)	72.1%	73.5%	74.1%
MLTI State Reimbursement	131,000	131,000	131,000	0	100.0%	98.5%	0.0%
State Agency Client Funding	120,000	120,000	45,107	(74,893)	37.6%	33.6%	8.3%
Medicaid Reimbursement	0	0	0	0	0.0%	0.0%	0.7%
Comm. Services Daycare (rent space)	30,500	30,500	14,109	(16,391)	46.3%	42.5%	41.4%
Community Services Transportation	32,000	32,000	26,243	(5,757)	82.0%	96.5%	89.8%
Winslow Homer/Facility Rental Fees	48,000	48,000	22,674	(25,326)	47.2%	60.1%	52.6%
Student Sports/Activity Fees	150,000	150,000	122,223	(27,777)	81.5%	72.5%	76.4%
Other Miscellaneous Revenue	65,000	65,000	57,803	(7,197)	88.9%	70.1%	85.1%
Total Revenue	48,526,504	48,526,504	47,604,529	(921,975)	98.1%	98.2%	97.4%

**Scarborough Public Schools
2018-2019 Financial Report
As of March 31, 2019**

OTHER FUNDS

Adult Education:

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY19 <u>% Used</u>	FY18 <u>% Used</u>	FY17 <u>% Used</u>
Expenditures							
Wages & benefits (instructors & program admin)	165,171	165,171	113,286	51,885	68.6%	70.8%	68.7%
General supplies & operations	11,730	11,730	9,933	1,797	84.7%	53.6%	82.7%
Instructional supplies, software & equipment	11,600	11,600	7,975	3,625	68.7%	97.1%	128.2%
Expenditure totals	188,501	188,501	131,194	57,307	69.6%	70.8%	73.0%
	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY19 <u>% Rec'd</u>	FY18 <u>% Rec'd</u>	FY17 <u>% Rec'd</u>
Revenues							
Town Funding - Local Taxes	98,237	98,237	98,237	0	100.0%	100.0%	100.0%
Use of Fund Balance	764	764	764	0	100.0%	100.0%	100.0%
State Subsidy - Adult Ed	31,000	31,000	28,326	(2,674)	91.4%	90.7%	117.2%
Adult Ed Tuition	58,500	58,500	24,961	(33,539)	42.7%	63.5%	65.8%
Revenue totals	188,501	188,501	152,287	(36,214)	80.8%	88.1%	91.7%

Adult Education YTD fund balance

21,093

School Nutrition Program:

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY19 <u>% Used</u>	FY18 <u>% Used</u>	FY17 <u>% Used</u>
Expenditures							
Wages & Benefits	936,732	936,732	776,850	159,882	82.9%	72.6%	71.8%
Food & Beverages	540,933	540,933	433,759	107,174	80.2%	72.2%	77.2%
Contracted Services (software & repairs)	17,000	17,000	17,241	(241)	101.4%	42.8%	91.9%
Supplies & Equipment	51,200	51,200	39,283	11,917	76.7%	56.2%	69.9%
Operations	2,450	2,450	1,359	1,091	55.5%	76.0%	155.8%
Expenditure totals	1,548,315	1,548,315	1,268,492	279,823	81.9%	71.3%	74.0%
	Budgeted <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY19 <u>% Rec'd</u>	FY18 <u>% Rec'd</u>	FY17 <u>% Rec'd</u>
Revenues							
Town Funding - Local Taxes	188,555	188,555	188,555	0	100.0%	100.0%	100.0%
Food Sales	1,078,760	1,078,760	796,869	(281,891)	73.9%	70.7%	58.6%
Federal Funding (USDA)	253,000	253,000	113,162	(139,838)	44.7%	43.3%	47.7%
State Funding (DOE)	14,000	14,000	13,455	(545)	96.1%	86.5%	88.9%
Summer Meal Program	14,000	14,000	7,919	(6,081)	56.6%	76.2%	70.4%
Revenue totals	1,548,315	1,548,315	1,119,961	(428,354)	72.3%	69.5%	58.2%

School Nutrition YTD fund balance

(148,531)

**Scarborough Public Schools
2018-2019 Financial Report
As of March 31, 2019**

Federal Restricted Funds:	<u>Beg. Balance</u>	<u>FY19 Grant Funds Available</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance*</u>
Title IA	0	154,715	80,187	102,356	(22,169)
Title IIA	749	100,442	66,684	72,402	(4,969)
Title IVA	0	14,607	2,429	6,070	(3,641)
Pre-K Local Entitlement	(34)	6,221	6,221	6,221	(34)
Local Entitlement	0	850,623	423,931	550,968	(127,037)
Total Federal Restricted	715	1,126,608	579,453	738,018	(157,850)

*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	165,074	0	14,705	150,369
Scarborough Education Foundation	37,606	0	31,229	6,378
Local grants & donations	19,982	1,550	0	21,532
CC Admin Recertification (fiscal agent)	868	8,600	4,036	5,432
Tech Maintenance Fees	230,170	79,636	10,865	298,942
School Nutrition Special Programs	10,999	7,335	1,405	16,928
PEPG State Grant	588	0	0	588
Proficiency-based Graduation Grant	3,083	0	0	3,083
Total Grants & Trusts	468,371	97,121	62,240	503,252

School CIP project account status
as of 3/31/2019

FACILITIES	Account #	Budget Balance as of 6/30/2018	FY19 Budgeted	FY19 YTD Expenses*	Budget Balance as of 3/31/2019
Long-range Planning	73001798 570000	31,406	0	13,086.17	18,320
District-wide Energy Impr	73001803 570000	22,864	50,000	13,858.00	59,006
District-wide Roofing	74001771 570000	160,325	0	63,095.00	97,230
District-wide Security & Access	74001787 570000	433,807	0	125,884.81	307,923
District-wide Flooring	74001791 570000	32,375	40,000	38,225.44	34,150
District-wide Movable Equipmt	74001792 573100	25,172	119,000	30,940.59	113,231
HS Auditorium	74001793 570000	8,002	0	0.00	8,002
District-wide Building Envelope	74001794 570000	59,811	50,000	109,030.59	780
District-wide Pavement Mtce	74001805 570000	560	140,000	35,624.11	104,936
Athletics Facilities/Equipment	74001807 570000	65,138	23,500	19,625.00	69,013
HS Science Labs Retrofit	74001808 570000	50,000	0	0.00	50,000
District-wide HVAC/Mechanical	74176800 573100	30,290	50,000	80,289.50	1
Facilities Support/Equipment	74176900 573100	16,518	67,000	54,224.01	29,294
TOTALS		936,270	539,500	583,883.22	891,887

TRANSPORTATION

Bus purchase/lease	74001712 573600	6,121	340,000	333,900.00	12,221
--------------------	-----------------	-------	---------	------------	--------

TECHNOLOGY

Equipment Replacement	74001784 573100	96,939	312,230	306,498.30	102,671
New Equipment	74001799 573100	118,529	47,000	40,352.00	125,177
TOTALS		215,468	359,230	346,850.30	227,848

*including encumbrances

GRAND TOTALS		1,157,859	1,238,730	1,264,633.52	1,131,956
---------------------	--	------------------	------------------	---------------------	------------------

School Budget Categories

In 2007, a state statute (MRSA 20-A, §1486) was passed requiring school budgets to be validated each year by local referendum. An accompanying statute stated that school budgets were to be presented in 11 defined categories, and Department of Education reporting requirements were developed to ensure that all school districts in the state would identify expense types in the same way. This is why our detailed budget account document is presented in its current format, by category and then by school or location. We believe it is more intuitive to think of our schools as unified organizations, rather than separating out types of services. Since the School Budget Referendum figures are posted in these categories, however, we want to be sure that citizens know what they include.

REGULAR INSTRUCTION

Regular Instruction Programs

Includes salaries and benefits for all general education classroom and academic support teachers, instructional support staff and substitutes; instructional supplies, books, equipment and online resources; staff professional learning and course reimbursement; and operational expenses like equipment repairs, copiers and printing, mileage reimbursement, and dues and fees for professional memberships. Each of these expense types is further broken out by school.

ESL – Programs for English Language Learners

Includes salaries and benefits for teachers of English language learners, contracted interpreters, staff development and instructional supplies.

GATES – Gifted & Talented Education Services

Includes salaries and benefits for teachers of Gifted and Talented Education Services, staff development and instructional supplies.

SPECIAL EDUCATION PROGRAMS

Includes salaries and benefits for all special education classroom teachers and specialists (speech therapists, occupational therapists, physical therapist and psychologists), social workers, ed techs and substitutes; instructional supplies, books and equipment. Also included in this category are salaries and benefits for directors and administrative support staff, summer program costs, legal fees for Special Education related services, and tuition for students who have been placed in special purpose private schools to access appropriate educational programming. (Local spending for Special Education is supplemented by Federal IDEA grant supplements.)

CTE INSTRUCTION – Career & Technical Education

This category holds the funds we pay to Portland Arts & Technology High School (PATHS) and Westbrook Regional Vocational Center (WRVC) for Scarborough's attending students. Starting in FY19, the state Department of Education began directly funding the CTE schools with General Purpose Aid (GPA), and sending schools will now only be responsible for minimal costs not funded by the state.

OTHER INSTRUCTION

Co-Curricular

Includes stipends for High School, Middle School and Wentworth club advisors, as well as supplies, purchased services, transportation and participation fees for MS and HS clubs.

Extra-Curricular

Includes stipends for Middle School and High School athletic coaches, game officials, ice and pool time, software, supplies, equipment and transportation. Also includes salaries and benefits for the Director of Athletics and Activities, his administrative assistants, and the Athletic Trainer; phones and staff mileage reimbursement.

STUDENT AND STAFF SUPPORT

Student Support Services

Guidance Services

Includes salaries and benefits for guidance counselors and 50% of school social workers, as well as support staff at the High School, Middle School and Wentworth; software licenses (college placement/testing), supplies, books, postage (parent/student communications) and professional dues. Each of these expense types is further broken out by school.

Health Services

Includes salaries and benefits for school nurses, LPNs and substitutes; consulting physician fee, staff immunizations (HepB), case management software, medical supplies, books and equipment, postage (parent communications), staff development, mileage reimbursement for itinerant staff, and professional dues.

Instructional Technology

Includes salaries and benefits for IT staff (paid to the Town), software licenses and service agreements, tech equipment purchases and repairs.

Staff Support Services

Improvement of Instruction

Includes salaries and benefits for the Director of Curriculum and Assessment, admin assistant, district info specialist, student data specialists, and district technology coordinator; testing and student assessment materials and processing; books, equipment, online resources and instructional materials for new curricula, professional learning in support of new curricula and quality assurance (teacher stipends, workshops/speakers/resources); phones and staff mileage reimbursement.

Library Services

Includes salaries and benefits for librarians and library ed techs; online services (circulation management) and resources (instructional), books and equipment, staff mileage reimbursement and professional dues. Each of these expense types is further broken out by school.

SYSTEM ADMINISTRATION

Includes salaries and benefits for the Superintendent, Assistant Superintendent, Director of Business and Finance and Central Office support staff, as well as School Board stipends; district-wide expenses for administrators' course reimbursement and professional learning, liability insurance, unemployment assessments, legal and audit services, district membership fees to professional organizations; operational expenses for phones, postage, copiers, advertising, business equipment purchase and repairs, mileage reimbursement, office supplies and subscriptions.

SCHOOL ADMINISTRATION

Includes salaries and benefits for school principals, assistant principals and their administrative assistants, operational expenses for phones, postage, office supplies, and professional dues. The High School budget also includes expenses for graduation. Each of these expense types is further broken out by school.

TRANSPORTATION AND BUSES

Includes wages and benefits for bus drivers (school regular, community services and spares), as well as salaries and benefits for Transportation Director and p.m. dispatcher; bus fuel, repairs and maintenance, vehicle insurance, DOT driver physicals and drug testing, tolls, meal and mileage reimbursement, phones, and copiers.

FACILITIES MAINTENANCE

Includes wages and benefits for custodians (regular shifts, event coverage & substitutes), maintenance workers, the Director of Facilities & Maintenance, the Maintenance foreman, and administrative assistants; property casualty insurance, energy and utilities (electricity, natural gas, fuel oil, propane, water/sewer), custodial supplies, maintenance supplies and materials, building equipment and furnishings replacement, contracted maintenance services (snow removal, HVAC, electrical work, plumbing, painting, roofing, pest control, etc.), waste removal, composting and recycling, vehicle fuel and maintenance, uniforms and shoes, licenses and fees.

DEBT SERVICE

This category holds the funds for annual payments scheduled on bonds issued for prior years' school capital projects.

ALL OTHER EXPENDITURES

There is no current expenditure budgeted in this category.