

Scarborough Public Schools

School Board Presentation



FY18 Year-end Financials

October 4, 2018



2017-2018 – Focus on Communication

- School leaders work to define and articulate mission, vision, values and goals
- New guidelines stress accessible, jargon-free communication
- Budget development process incorporates more opportunities for community outreach and feedback
- Online resources and “one stop shopping” through budget portal



Statement of General Fund Surplus

As of 6/30/2017 Surplus was:	\$ 2,343,954
Used For FY18 Budget	<u>\$ (2,100,000)</u>
Unassigned Fund Balance 6/30/2017	\$ 243,954
FY18 Appropriations Balance	\$ 1,066,933
FY18 Revenue Balance	\$ (264,288)
FY18 Year-end Adjustments	\$ (77,894)
FY18 Year-end Balance	\$ 724,751
Total Available Fund Balance	\$ 968,705
Used for FY19 Budget	<u>\$ (500,000)</u>
Unassigned Fund Balance 6/30/2018	\$ 468,705



General Fund Expenditure Review

General Fund expenditures came in under budget by \$1,066,933

Significant areas of expenditure savings over budget projections were achieved through **strategic curtailment efforts**

- Staffing – SpEd behavior specialist position deferred - \$45,000
- Instructional discretionary spending curtailed – \$185,000
 - Supplies, equipment & services all schools
 - Curriculum investments in instructional materials & classroom libraries
 - Professional development district-wide
 - Athletics & Activities supplies and equipment



General Fund Expenditure Review

General Fund expenditures came in under budget by \$1,066,933

Significant areas of expenditure savings over budget projections were achieved through **strategic curtailment efforts**

- ▶ Operations discretionary spending curtailed – \$120,000
 - ▶ Facilities contracted services
 - ▶ Technology contracted services
 - ▶ Supplies & services for System Administration, Health Services and Transportation



General Fund Expenditure Review

General Fund expenditures came in under budget by \$1,066,933

Other areas of expenditure savings over budget projections were achieved through **unplanned circumstances**

- ▶ Salaries & benefits district-wide under budget by \$300,000
 - ▶ School year personnel turnover and mid-year positions unfilled
 - ▶ Tech support positions reworked - \$30,000 reallocated
- ▶ Transportation department savings of \$200,000
 - ▶ \$125,000 wages & benefits
 - ▶ \$75,000 vehicle maintenance & fuel



General Fund Expenditure Review

- School Board is required by policy DBJ to vote approval of budget transfers for any individual account overspent by \$10,000 or more.
- All overages can be offset by surplus in other budget lines, most within the same voter-approved categories.



General Fund Expenditure Review

Accounts requiring School Board action:

- **Salaries/Wages** – staff turnover/transfers created shifts in spending. Substitute costs fluctuate across district.
- **Benefits** – pattern of spending affected by staff turnover & changes in insurance status during the year.



General Fund Expenditure Review

Accounts requiring School Board action:

- Special Education contracted services
- Athletics contracted transportation
- Wentworth contracted repairs & maintenance
- Debt Service interest
- Health Services substitutes



Budget Transfers by Category

Budget category	FY18 Budget Voter Approved	FY18 Budget Year-end Revised	Category \$ change	Category % change
1) Regular Instruction	19,675,688	19,671,488	(4,200)	-0.02%
2) Special Education Instruction	7,558,169	7,564,669	6,500	0.09%
3) CTE Instruction	293,318	293,318	0	0.00%
4) Other instruction (co- & extra-curricular)	1,115,212	1,192,061	76,849	6.89%
5) Student and staff support	4,659,167	4,656,867	(2,300)	-0.05%
6) System administration	1,069,128	1,055,943	(13,185)	-1.23%
7) School administration	1,837,854	1,837,854	0	0.00%
8) Transportation and buses	1,494,471	1,419,971	(74,500)	-4.99%
9) Facilities maintenance	3,818,590	3,818,590	0	0.00%
10) Debt service	5,603,571	5,614,407	10,836	0.19%
11) All other expenditures	0	0	0	0.00%
Total FY18 General Fund budget	47,125,168	47,125,168	0	0.00%

According to State statute, during the year for which the budget is approved using the cost center summary budget format, the School Board may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.



Budget Transfers by Category

Mid-year transfers:

- **Course Reimbursement** – transfers to allow pool of available funding to cover actual staff learning by location.
- **Middle School staff development plan** – shift of funding from multiple accounts to support PowerSchool training for grading & reporting.



General Fund Appropriations by Category

<u>General Fund Appropriations:</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY18 % Used</u>	<u>FY17 % Used</u>	<u>FY16 % Used</u>
Regular Instruction:							
Regular Instruction Programs	19,023,239	19,019,039	18,798,017	221,022	98.8%	99.1%	98.5%
English as a Second Language (ESL)	338,276	338,276	335,011	3,265	99.0%	100.0%	92.9%
Gifted and Talented Programs	314,173	314,173	310,525	3,648	98.8%	99.0%	97.4%
Special Education Instruction	7,558,169	7,564,669	7,385,216	179,453	97.6%	97.0%	95.6%
CTE Instruction (Career & Technical Ed)	293,318	293,318	293,318	0	100.0%	100.0%	98.0%
Other Instruction:							
Co-Curricular	144,024	143,124	130,801	12,323	91.4%	96.3%	95.7%
Extra-Curricular	971,188	972,088	1,049,760	(77,672)	108.0%	100.0%	99.9%
Student & Staff Support:							
Guidance Services	1,375,713	1,375,713	1,357,940	17,773	98.7%	99.8%	99.9%
Health Services	636,237	636,237	641,907	(5,670)	100.9%	100.0%	100.0%
Improvement of Instruction	913,675	913,675	782,536	131,139	85.6%	93.2%	90.4%
Instructional Technology	1,042,756	1,042,756	999,957	42,799	95.9%	97.2%	93.6%
Library Services	690,786	688,486	625,691	62,795	90.9%	95.9%	96.5%
System Administration	1,069,128	1,069,128	1,018,607	50,521	95.3%	99.9%	100.0%
School Administration	1,837,854	1,837,854	1,827,097	10,757	99.4%	99.8%	99.3%
Transportation	1,494,471	1,494,471	1,282,461	212,010	85.8%	96.0%	90.0%
Facilities & Maintenance	3,818,590	3,818,590	3,604,985	213,605	94.4%	92.7%	95.8%
Debt Service	5,603,571	5,603,571	5,614,407	(10,836)	100.2%	100.0%	73.1%
All Other	0	0	0	0	0.0%	100.0%	100.0%
Total General Fund Appropriations	47,125,168	47,125,168	46,058,235	1,066,933	97.7%	98.1%	94.3%



General Fund Revenue Review

**FY18 revenue showed an overall shortfall of \$264,288
against budgeted projections**

Significant revenue shortfalls:

- GPA diverted to special purpose private schools
- State Agency Client reimbursement
- Medicaid reimbursement



Other Funds

Along with General Fund data, the Financial Statement includes:

- Adult Education
- School Nutrition
- Federal Restricted Funds
- Grants & Trusts
- Capital Improvement Projects



Adult Education

Program improvements for FY18

- ▶ Workforce programming partnerships
- ▶ ELL growth serves community – leads to opportunities

Year end fund balance is positive

- ▶ Revenue shortfall in tuition receipts is offset by savings on program costs.
- ▶ Program year-end fund balance is \$5,521.



School Nutrition

Program improvements for FY18

- New software permits better tracking, will add online info and ordering
- Vending machines, breakfast carts add accessibility
- Grants & donations provide community support

Still have year-end deficit:

- Expenditures are \$9,372 over budget
- Revenues fell short of budget estimates by \$69,453
- FY18 ended with a deficit of \$77,894, to be covered by General Fund surplus.



Capital Projects

- Multi-year project funds follow budget plan.
- Security and Access Management spending deferred.



Works in Progress

- FY19 First Quarter financials & State reporting.
- School & Town audit work begins in November, report due in late December.
- FY20 budget development schedule in process.



Moving into FY19 – Challenges

- Increasing enrollment, especially at the K-2 schools
- Staff reductions for FY18 at Wentworth & Middle School
- More staff turnover likely with staff reaching retirement age
- No help from the State on facilities renovation or replacement
- Bus drivers and substitute teachers scarce in strong job market



Moving into FY19 – Opportunities

- FY18 year-end fund balance will help with FY20 budget
- Personnel turnover should create some savings in FY19
- State GPA for FY20 should increase per minimum receiver statute



Action Items

FY18 year-end action items for School Board

October 4, 2018:

- 1) Request approval of budget transfers for accounts which were overspent by more than \$10,000.
- 2) Request approval of transfer of \$77,894 from General Fund surplus to cover Food Services deficit.

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