

NOTES & COMMENTS

YEAR END FY2015

Overview

Fiscal year 2015 closes with a healthy financial picture. As you will recall from discussions during FY2016 budget development, we began FY2015 with an undesignated fund balance of about \$500,000. In this year-end report you will see that we have added to that surplus, and are able to apply \$425,000 to the FY2016 budget while still maintaining an undesignated fund balance of \$490,705. This will give us some reassurance as we manage through the coming year. You will see that as usual the financial report is marked "pending audit"; we will be working with the auditors in November and December, but I don't anticipate any significant changes.

The following pages provide more detailed financials; here are some highlights:

Expenditures

This report follows the format of quarterly financials during FY2015 in that the expenditures are organized by the categories used for the budget validation process. Both expenses and revenues for FY2015 are compared with levels at the end of FY2014 and FY2013.

General Fund expenditures came in under budget by \$595,815 overall. A large part of the savings budget to actual came in debt service, where changes in Town bonding left us with unused funds of over \$170,000. Other larger areas of savings achieved were in health insurance enrollment (both regular coverage changes and those driven by new collective bargaining agreements), Wentworth facility costs, and vehicle fuel.

I have provided in a separate spreadsheet the most significantly overspent accounts of FY2015. The Board is asked to approve budget transfers to cover these deficits according to policy DBJ. You will find notes there about the various cost overruns, and I will address them in my year-end presentation to the Board.

Revenues

Year-end General Fund revenues were short of budgeted projections by \$36,547. Shortfalls were booked in State subsidy (reduced by Medicare payments made directly to special purpose private schools) and in Student Activity Fees, where we have never realized the funding estimated based on higher fee levels. These shortfalls were offset to some extent by higher than budgeted revenues for Medicaid reimbursement and State Agency clients.

Other Funds

In Adult Education we see a turnaround from year end FY2014; this year the program expenses came in under budget, but revenues fell off, particularly in State subsidy. All the same, enthusiasm remains high for the workforce programming, and the program ended the year with a positive fund balance.

As anticipated, the School Nutrition program ended the year with a fund deficit of \$156,164, so we will be requesting a balancing fund transfer from the Board. Our shared services agreement with Cape Elizabeth started on July 1, bringing Peter Esposito to Scarborough as our new School Nutrition Director. We're hopeful that we will see both new operational efficiencies and continued program improvements through this management model.

Also under Other Funds is a new entry in Grants & Trusts, for the Cumberland County Administrators Recertification group; we took over as fiscal agent for this multi-district, regional organization after the retirement of the long-time Business Manager in Cape Elizabeth.

Capital Projects

This report includes a year-end summary of our multi-year CIP project accounts, as usual. A separate, more detailed report on the Wentworth building project will be provided now that the financial project management is drawing to a close.

In Summary

As school leaders, we balance our responsibility to ensure quality teaching and learning for the children of Scarborough with the expectation that we will act as careful stewards of community resources. At the end of FY2015, we reaffirm our commitment to responsible fiscal policy and move into the next fiscal year with confidence.

FY2015 year-end action items for School Board meeting on October 1, 2015:

- 1) Request approval of budget transfers for accounts which were overspent by more than \$10,000.
- 2) Request approval of transfer of \$156,164 from General Fund to cover School Nutrition deficit.

**Scarborough School Department
Statement of Surplus
June 30, 2015**

all figures pending audit - updated as of 9/28/2015

General Fund Surplus as of 6/30/2014	\$ 1,308,789
Allocated to 2014-15 budget	\$ (800,000)
Undesignated Surplus as of 7/1/2014	(audited balance) \$ 508,789

<u>General Fund Appropriations:</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year End Expended</u>	<u>Year End Balance</u>	<u>FY15 % Used</u>	<u>FY14 % Used</u>	<u>FY13 % Used</u>
Regular Instruction:							
Regular Instruction Programs	17,021,925	16,994,425	16,902,548	91,877	99.5%	99.2%	97.9%
English as a Second Language (ESL)	259,966	259,966	253,038	6,928	97.3%	98.4%	92.7%
Gifted and Talented Programs	291,263	291,263	289,750	1,513	99.5%	99.0%	96.7%
Charter School Tuition	54,500	54,500	89,810	(35,310)	164.8%	119.7%	0.0%
Special Education Instruction	6,508,981	6,508,981	6,478,920	30,061	99.5%	99.6%	100.7%
CTE Instruction (Career & Technical Ed)	338,947	338,947	344,167	(5,220)	101.5%	127.6%	99.2%
Other Instruction:							
Co-Curricular	147,822	147,822	138,243	9,579	93.5%	96.8%	94.7%
Extra-Curricular	730,433	753,433	750,208	3,225	99.6%	104.5%	102.0%
Student & Staff Support:							
Guidance Services	1,159,435	1,183,935	1,173,666	10,269	99.1%	97.6%	98.4%
Health Services	562,250	562,250	554,747	7,503	98.7%	102.8%	95.3%
Instructional Technology	682,574	682,574	664,780	17,794	97.4%	94.0%	94.4%
Charter Commission Fees	2,250	2,250	4,032	(1,782)	179.2%	134.2%	0.0%
Improvement of Instruction	923,835	923,835	884,752	39,083	95.8%	95.8%	91.0%
Library Services	558,212	558,212	528,206	30,006	94.6%	98.5%	95.2%
System Administration	976,157	976,157	959,667	16,490	98.3%	105.6%	97.7%
School Administration	1,584,617	1,584,617	1,576,252	8,365	99.5%	99.8%	100.4%
Transportation	1,601,815	1,581,815	1,508,858	72,957	95.4%	100.5%	102.4%
Facilities & Maintenance	3,734,151	3,734,151	3,612,218	121,933	96.7%	93.0%	84.2%
Debt Service	4,776,492	4,776,492	4,605,947	170,545	96.4%	100.0%	93.2%
All Other	75,000	75,000	75,000	0	100.0%	90.8%	84.1%
Total General Fund Appropriations	41,990,625	41,990,625	41,394,810	595,815	98.6%	99.1%	96.5%

<u>Estimated General Fund Revenue:</u>	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY15 % Rec'd</u>	<u>FY14 % Rec'd</u>	<u>FY13 % Rec'd</u>
Town Funding - Tax Levy	35,914,654	35,914,654	35,914,654	0	100.0%	100.0%	100.0%
Funding from Surplus	800,000	800,000	800,000	0	100.0%	100.0%	100.0%
State Subsidy - GPA	4,778,384	4,778,384	4,747,923	(30,461)	99.4%	77.8%	75.3%
State Agency Client Funding	150,000	150,000	158,425	8,425	105.6%	173.5%	128.5%
Medicaid Reimbursement	25,000	25,000	42,551	17,551	170.2%	35.2%	100.0%
Comm. Services Daycare (rent space)	28,500	28,500	29,750	1,250	104.4%	47.8%	58.0%
Community Services Transportation	30,000	30,000	32,561	2,561	108.5%	100.5%	95.2%
Winslow Homer/Facility Rental Fees	40,000	40,000	41,004	1,004	102.5%	73.0%	95.6%
Student Sports/Activity Fees	157,500	157,500	119,451	(38,049)	75.8%	83.4%	49.9%
Other Miscellaneous Revenue	66,586	66,586	67,758	1,172	101.8%	68.5%	46.3%
Total Genral Fund Revenue	41,990,624	41,990,624	41,954,077	(36,547)	99.9%	97.5%	96.6%

**Scarborough School Department
Statement of Surplus
June 30, 2015**

all figures pending audit - updated as of 9/28/2015

Year-end Fund Transfers

Food Services fund deficit (see below)	\$ (156,164)
Audit corrections	\$ -
Surplus bond proceeds from closed CIP projects to General Fund	\$ 3,812
Total Transfers	\$ (152,352)

Breakdown of General Fund Surplus Balances

As of 6/30/2014 Surplus was :	\$ 1,308,789
Used For FY15 Budget	\$ (800,000)
Undesignated Fund Balance 6/30/2014	\$ 508,789
FY15 Appropriations Balance	\$ 595,815
FY15 Revenue Balance	\$ (36,547)
FY15 Year-end Adjustments	\$ (152,352)
FY15 Year-end Balance	\$ 406,916
Total Available Fund Balance	\$ 915,705
Used for FY16 Budget	\$ (425,000)
Undesignated Fund Balance 6/30/2015	\$ 490,705

OTHER FUNDS

Adult Education:

<u>Expenditures</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY15 % Used</u>
	174,691	174,691	164,920	9,771	94.4%
<u>Revenues</u>	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY15 % Rec'd</u>
Town Funding - Tax Levy	97,691	97,691	97,691	0	
State Subsidy - Adult Ed	36,000	36,000	24,954	(11,046)	69.3%
Grant Funding	0	0	5,500	5,500	100.0%
Adult Ed Tuition	41,000	41,000	38,956	(2,044)	95.0%
Revenue totals	174,691	174,691	167,101	(7,590)	95.7%
Adult Education fund balance	0	0	2,181	2,181	

School Nutrition Program:

<u>Expenditures</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY15 % Used</u>
	1,485,180	1,485,180	1,465,220	19,960	98.7%
<u>Revenues</u>	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY15 % Rec'd</u>
Food Sales	1,172,123	1,172,123	948,152	(223,971)	80.9%
Federal Funding (USDA)	215,104	215,104	250,133	35,029	116.3%
State Funding (DOE)	10,177	10,177	15,002	4,825	147.4%
Summer Meal Program	12,776	12,776	16,269	3,493	127.3%
Donations	0	0	4,500	4,500	100.0%
Contrib from General Fund	75,000	75,000	75,000	0	100.0%
Revenue totals	1,485,180	1,485,180	1,309,056	(176,124)	88.1%
School Nutrition fund balance	0	0	(156,164)	(156,164)	

**Scarborough School Department
Statement of Surplus
June 30, 2015**

all figures pending audit - updated as of 9/28/2015

<u>Federal Restricted Funds:</u>	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance*</u>
Title IA	0	195,151	195,151	0
Title IIA	0	61,492	61,492	0
Title III	0	3,337	3,337	0
Pre-K Local Entitlement	0	2,601	2,601	0
Local Entitlement	0	689,775	689,775	0
Total Federal Restricted	0	952,356	952,356	0

<u>Grants & Trusts:</u>	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance</u>
Louis & Tina Fineberg Trust	219,671	0	15,542	204,129
Scarborough Education Foundation	15,000	14,810	17,393	12,417
Local grants & donations	26,152	50,938	45,901	31,189
CC Admin Recertification (fiscal agent)	513	8,100	8,089	524
Proficiency-based Graduation Grant	29,465	33,287	11,598	51,155
Total Grants & Trusts	290,801	107,135	98,522	299,414

School CIP project account status

as of 6/30/2015

FACILITIES	Account #	Budget Balance as of 6/30/2014	FY15 Budgeted	FY15 Total Expenses	FY15 yr-end close to GF	Budget Balance as of 6/30/2015
Long-range Planning	73001798 570000	55,820	0	6,260.41	0.00	49,559
District-wide Energy Improvements	73001803 570000	21,650	0	9,037.14	0.00	12,613
District-wide Roofing	74001771 570000	49,247	123,000	90,632.87	0.00	81,614
District-wide Security & Access Mgmt	74001787 570000	224,319	410,000	64,814.06	0.00	569,505
District-wide Flooring	74001791 570000	20,110	0	20,062.87	0.00	47
District-wide Movable Equipment	74001792 573100	3,682	30,000	25,591.14	93.82	7,997
HS Auditorium/Public Space	74001793 570000	0	35,000	35,000.00	0.00	0
District-wide Building Envelope	74001794 570000	3,818	50,000	28,908.30	0.00	24,910
District-wide HVAC/Mechanical Systems	74176800 573100	20,594	50,000	34,856.44	1,407.71	34,330
Facilities Support/Equipment	74176900 573100	0	111,000	94,018.00	0.00	16,982
TOTALS		399,239	809,000	409,181.23	1,501.53	797,556

TRANSPORTATION

Bus purchase/lease	74001712 573600	0	328,653	277,458.00		51,195
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TECHNOLOGY

Equipment Replacement	74001784 573100 (orig acct)	19,949				435,790
HS Equipment Replacement	74001784-573100-04141	0		3,234.98		0
MS Equipment Replacement	74001784-573100-04142	0		6,283.40		0
WI Equipment Replacement	74001784-573100-04143	0		0.00		0
K-2 Equipment Replacement	74001784-573100-04144	0		3,611.25		0
DW Equipment Replacement	74001784-573100-04149	0	500,000	71,028.79		0
New Equipment	74001799 573100 (orig acct)	118,529				(82,771)
HS Tech FY2014 New	74001799-573100-04141	0		217,716.51		0
MS Tech FY2014 New	74001799-573100-04142	0	50,000	91,487.03		0
WI Tech FY2014 New	74001799-573100-04143	0		0.00		0
K-2 Tech FY2014 New	74001799-573100-04144	0		0.00		0
DW Tech FY2014 New	74001799-573100-04149	0	98,500	40,127.70	468.37	0
TOTALS		138,478	648,500	433,489.66	468.37	353,019

GRAND TOTALS

537,717 1,786,153 1,120,128.89 1,969.90 1,201,771