

NOTES & COMMENTS
FY2015 QUARTER 1 -- FINANCIALS AS OF 9/30/2014

Overview

As you heard in the year-end presentation for FY2014, we were able to start the new fiscal year with \$800,000 in fund balance committed as FY15 revenue, leaving a \$450,000 balance to carry forward. We have been working on and off with the auditors for the past few weeks, and they'll be in-house with us the week of November 10; the full Town/School audit will be complete at the end of December as usual.

Expenditures

Following the new format adopted for our FY14 year-end reports, I have used the voter budget categories to break out year-to-date expenses in the General Fund, and have kept a separate reporting section for Adult Education. For both revenues and expenditures in the General Fund, I have provided comparative budget-to-actual percentages from the end of the first quarter in FY2014 and FY2013.

As has been the case in past years, first quarter expenses vary considerably depending on the function of the expense account. Salary and benefit lines for year-round staff will have a higher percentage expended than those for school year staff. Supplies, online services, district insurance and membership dues are "front-loaded" to set us up for the start of the school year, so those accounts will show a higher percentage used in the first quarter than in the quarters that follow.

By comparing the "% used" figures from this year to prior years, we are able to ensure that we are in line with typical spending patterns and identify any notable variances. In most cases you will see that we are within a percentage point or two of prior year first quarter expenses, but there are a few items worthy of some additional detail, below:

Charter Schools -- Comparative expenses from year to year are a bit less useful with the charter school accounts, because of the DOE's changes in how those expenses have been reported over the past 18 months. That said, we are all aware that our FY15 budget for charter school expenses will fall short of the funds needed. A separate update on charter school status has been provided to the Finance Committee and the Board.

Transportation -- Bus driver wage and benefit expenses are running a bit behind the first quarter of last year due to personnel turnover and delays in filling open positions. At this point we are fully staffed again, but both available vehicles and available drivers for expanded district needs will be a topic for discussion during FY2016 budget development.

Facilities -- A slight increase in first quarter expenses is primarily due to increased rates for electricity and shift to higher electricity usage with the new geothermal system at Wentworth. Other significant expenses were for landscaping around the front entrance at the High School and for cafeteria tables at the Middle School, where space constraints have dictated expanding the lunchroom into the foyer/hallway.

System Administration -- The increase over last year at this time is due to two district-wide professional development costs: the first phase of training and subscriptions for Marzano's iObservation system (\$8250) and a subscription to Protraxx for staff training (\$8862) which we used in FY14 but paid for later in the year.

School Administration -- The increase over FY2014 Quarter 1 is due to payment of a contractual retirement stipend in July; there were no school administrator retirements in FY13 or FY14.

Revenues

As usual, the Town Finance Office has posted the local tax appropriation to our revenue accounts, so the bulk of our General Fund revenue shows as received.

Our Federal grant funds will continue to be paid on a reimbursement basis as presented in prior reports. While the financial statement shows a lag in revenues compared with expenses, all amounts expended under the grants will be reimbursed as soon as the new grant year applications are finalized (the allocated amounts are already in hand from the State). State Agency Client and Medicare revenues also lag a bit due to State reporting requirements; we will begin to see those funds arrive in the second quarter.

Special Funds

The Adult Education program continues its commitment to workforce programming, and tuition receipts continue to grow. We've been able to access a couple of technology grants for the program, and expect increased DOE subsidy as well this year.

Capital Projects

This report includes a year-to-date summary of our multi-year CIP project accounts, as well as an expense report for the Wentworth Building project. The IT and Facilities departments have put in countless hours this summer and fall to update and upgrade buildings and technology across the district while also bringing the new Wentworth School online -- a truly monumental task. You will also see expenses for vehicles: one school bus has been delivered and paid for, and two more are on the way this week. Two pickup trucks have been ordered for Facilities and are being outfitted with plows and other equipment.

It is hard to believe that the Wentworth project is now winding down after all the years of energy invested in the journey to this beautiful new school. At this point we are focusing on finalizing technology and furnishing purchases to ensure that the Building Committee's vision is fulfilled, while staying within the project budget and transitioning back to a regular operations mode.

In Summary

FY2015 has kicked off with some terrific positives: incremental expansion of teaching staff to increase student access to vital programs and services; deepening our commitment to professional development through PLTs and a district-wide book study; and innovative approaches to the challenges of creating differentiated, student-centered learning through structural reorganization across the district. As we head into another budget development season, we will renew our commitment to continuous improvement, as well as our thoughtful management of the resources entrusted to us by our community.

**Scarborough School Department
2014-2015 Quarterly Report
Operating Account
As of September 30, 2014**

<u>General Fund Appropriations:</u> (including encumbrances)	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY15 % Used</u>	<u>FY14 % Used</u>	<u>FY13 % Used</u>
Regular Instruction:							
Regular Instruction Programs	17,021,924	17,021,924	4,412,178	12,609,746	25.9%	26.2%	25.4%
English as a Second Language (ESL)	259,966	259,966	63,526	196,440	24.4%	25.9%	24.3%
Gifted and Talented Programs	291,263	291,263	76,109	215,154	26.1%	25.8%	26.1%
Charter School Tuition	54,500	54,500	23,326	31,174	42.8%	25.0%	0.0%
Special Education Instruction	6,508,981	6,508,981	1,354,618	5,154,363	20.8%	21.1%	20.9%
CTE Instruction (Career & Technical Ed)	338,947	338,947	0	338,947	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	147,822	147,822	5,836	141,986	3.9%	5.8%	5.0%
Extra-Curricular	730,433	730,433	94,412	636,021	12.9%	19.2%	19.5%
Student & Staff Support:							
Guidance Services	1,159,435	1,159,435	289,593	869,842	25.0%	24.9%	22.5%
Health Services	562,250	562,250	125,299	436,952	22.3%	23.6%	24.3%
Instructional Technology	682,574	682,574	91,863	590,711	13.5%	15.6%	23.2%
Charter Commission Fees	2,250	2,250	4,432	(2,182)	197.0%	100.0%	0.0%
Improvement of Instruction	923,835	923,835	411,206	512,629	44.5%	45.6%	46.6%
Library Services	558,212	558,212	119,412	438,800	21.4%	21.2%	21.0%
System Administration	976,157	976,157	290,792	685,365	29.8%	28.6%	28.3%
School Administration	1,584,617	1,584,617	396,638	1,187,979	25.0%	23.1%	23.2%
Transportation	1,601,815	1,601,815	273,533	1,328,282	17.1%	18.7%	20.3%
Facilities & Maintenance	3,734,151	3,734,151	870,786	2,863,365	23.3%	20.3%	20.2%
Debt Service	4,776,492	4,776,492	0	4,776,492	0.0%	0.0%	0.0%
All Other	75,000	75,000	0	75,000	0.0%	0.0%	0.0%
Total General Fund Appropriations	41,990,624	41,990,624	8,903,559	33,087,065	21.2%		
FY14 Year-to-date	39,315,622	39,315,622	8,423,500	30,892,122		21.4%	
FY13 Year-to-date	37,280,610	37,280,610	7,897,111	29,383,499			21.2%

<u>Estimated 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	1,304,920	(3,473,464)	27.3%	27.6%	27.3%
State Agency Client Funding	150,000	150,000	0	(150,000)	0.0%	0.0%	0.0%
Medicaid Reimbursement	25,000	25,000	0	(25,000)	0.0%	0.0%	100.0%
Comm. Services Daycare (rent space)	28,500	28,500	0	(28,500)	0.0%	0.0%	0.0%
Community Services Transportation	30,000	30,000	29,561	(439)	98.5%	0.0%	95.2%
Winslow Homer/Facility Rental Fees	40,000	40,000	2,300	(37,700)	5.8%	17.2%	15.2%
Student Sports/Activity Fees	157,500	157,500	39,380	(118,120)	25.0%	34.0%	10.2%
Other Miscellaneous Revenue	66,586	66,586	15	(66,571)	0.0%	3.8%	0.0%
Total Revenue	41,990,624	41,990,624	38,090,829	(3,899,795)	90.7%	91.3%	89.9%

**Scarborough School Department
2014-2015 Quarterly Report
Operating Account**

OTHER FUNDS

<u>Adult Education:</u>	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>
Expenditures	174,691	174,691	40,248	134,443
Revenues	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>
Town Funding - Tax Levy	97,691	97,691	97,691	0
State Subsidy - Adult Ed	36,000	36,000	0	(36,000)
Adult Ed Tuition	41,000	41,000	2,632	(38,368)
Revenue totals	174,691	174,691	100,323	(74,368)
Adult Education YTD fund balance	0	0	60,075	60,075

<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	8,920	27,944	(19,024)
Title IIA	0	5,902	12,117	(6,214)
Title III	0	1,747	2,370	(623)
Pre-K Local Entitlement	0	0	1,843	(1,843)
Local Entitlement	0	26,152	152,126	(125,974)
Total Federal Restricted	0	42,721	196,400	(153,679)

*reimbursement pending

<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	0	219,671
Scarborough Education Foundation	15,000	0	100	14,900
Local grants & donations*	26,123	7,000	14,192	18,932
Proficiency-based Graduation Grant	29,465	0	0	29,465
Total Grants & Trusts	290,259	7,000	14,291	282,968

*Wentworth brick campaign funds held here

<u>School Nutrition Program:</u>	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance</u>
School Nutrition Program	0	162,452	174,419	(11,967)

School CIP project account status

as of 9/30/2014

FACILITIES	<u>Account #</u>	Budget Balance as of 6/30/2014	FY15 Budgeted	FY15 Expenses	Budget Balance including FY15
District-wide Building Envelope	74001794 570000	4,898	50,000	0.00	54,898
District-wide Energy Improvements	73001803 570000	21,708	0	0.00	21,708
District-wide Flooring	74001791 570000	28,549	0	28,549.50	(0)
District-wide HVAC/Mechanical Systems	74176800 573100	22,491	50,000	16,483.69	56,008
District-wide Movable Equipment	74001792 573100	4,036	30,000	5,053.26	28,983
District-wide Roofing	74001771 570000	64,620	123,000	80,062.69	107,557
District-wide Security & Access Mgmt	74001787 570000	225,742	410,000	0.00	635,742
Facilities Support/Equipment	74176900 573100	17	111,000	68,953.00	42,064
HS Auditorium/Public Space	74001793 570000	0	35,000	0.00	35,000
Long-range Planning	73001798 570000	55,820	0	0.00	55,820
TOTALS		427,882	809,000	199,102.14	1,037,780

TRANSPORTATION

Bus purchase/lease	74001712 573600	1,780	328,653	103,350.00	227,083
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TECHNOLOGY

Equipment Replacement	74001784 573100 (orig acct)				
HS Equipment Replacement	74001784-573100-04141			0.00	0
MS Equipment Replacement	74001784-573100-04142			32,002.50	(32,003)
WS Equipment Replacement	74001784-573100-04143			0.00	0
K-2 Equipment Replacement	74001784-573100-04144			3,611.25	(3,611)
DW Equipment Replacement	74001784-573100-04149	26,120	500,000	62,589.73	463,531
New Equipment	74001799 573100 (orig acct)				
HS Tech FY2014 New***	74001799-573100-04141			46,019.40	(46,019)
MS Tech FY2014 New	74001799-573100-04142		50,000	40,006.01	9,994
WS Tech FY2014 New	74001799-573100-04143			0.00	0
K-2 Tech FY2014 New	74001799-573100-04144			0.00	0
DW Tech FY2014 New	74001799-573100-04149	132,643	98,500	19,168.50	211,974
TOTALS		158,763	648,500	203,397.39	603,866

*** HS Tech closed project fund balance of \$105.31 (appropriated)

GRAND TOTALS

588,426 1,786,153 505,850 1,868,729

WENTWORTH SCHOOL

New construction project - November 2011 to September 2014

Project Expense Accounting - FY2014

as of 9/30/2014

	APPROVED BUDGET	TRANSFERS/ADJUSTMENTS	REVISED BUDGET	TOTAL PROJECT EXPENSES TO DATE	TOTAL PROJECT BUDGET BALANCE	REMAINING COST EXPECTED	REVISED TOTAL COST ESTIMATE	REVISED ESTIMATED BUDGET BALANCE
A. NEW CONSTRUCTION								
1 New Construction (includes retainage)	31,191,877	(3,118,171)	28,073,706	27,934,737	138,969	138,969	28,073,706	0
Subtotal	31,191,877		28,073,706	27,934,737	138,969	138,969	28,073,706	0
B. ADMINISTRATIVE COSTS & RESERVE								
4 Moveable Equipment	1,026,668	0	1,026,668	1,003,784	22,884	22,884	1,026,668	0
5 Technology	1,056,418	0	1,056,418	943,025	113,393	113,393	1,056,418	0
6 Utility Allowance	90,000	0	90,000	132,664	(42,664)	0	132,664	(42,664)
7 Asbestos Abatement	400,000	0	400,000	584,652	(184,652)	0	584,652	(184,652)
7A Playground Equipment/Transition	128,000	40,000	168,000	182,518	(14,518)	0	182,518	(14,518)
8 Bessworth Demo	35,000	0	35,000	30,628	4,372	0	30,628	4,372
9 Wetlands Impact Fee	218,000	0	218,000	18,634	199,366	0	18,634	199,366
10 Advertising/Insurance/Legal	40,000	0	40,000	26,745	13,255	2,000	28,745	11,255
11 Construction Contingency 7.25% see detail next page	2,262,065	(226,721)	2,035,344	1,752,612	282,732	250,000	2,002,612	32,732
12 Owner Construction	9,000		9,000	19,430	(10,430)	0	19,430	(10,430)
Subtotal	5,265,151		5,078,430	4,694,693	383,737	388,277	5,082,970	(4,540)
C. FEES & SERVICES								
13 Architect/Engineer	1,887,435	0	1,887,435	1,843,586	43,849	43,849	1,887,435	0
14 A/E Reimbursable	70,000	0	70,000	32,017	37,983	2,400	34,417	35,583
15 Environmental Permitting	102,500	0	102,500	84,882	17,618	2,500	87,382	15,118
16 Construction & Testing Allowances	140,000	0	140,000	105,182	34,818	8,000	113,182	26,818
17 Commissioning (mech/elec/envelope)	102,000	0	102,000	87,106	14,894	14,894	102,000	0
18 Surveys/Soils	8,000	0	8,000	33,271	(25,271)	8,000	41,271	(33,271)
19 Traffic Study	3,000	0	3,000	1,016	1,984	0	1,016	1,984
20 Geothermal Test Well	29,000	0	29,000	30,800	(1,800)	0	30,800	(1,800)
21 Project Support - Owners Representative	180,000	0	180,000	191,782	(11,782)	20,000	211,782	(31,782)
22 Project Support - Clerk of the Works	183,000	0	183,000	133,610	49,391	0	133,610	49,391
23 Code Enforcer	50,000	0	50,000	0	50,000	0	0	50,000
24 Moving Costs	10,000	0	10,000	90,300	(80,300)	5,000	95,300	(85,300)
Subtotal	2,764,935		2,764,935	2,633,550	131,385	104,643	2,738,194	26,741
CUMULATIVE TOTALS	39,221,963		35,917,071	35,262,980	654,091	631,889	35,894,869	22,202
Less Efficiency Maine & other misc credits	(150,000)		(150,000)	(95,735)	(54,265)	0	(95,735)	(54,265)
Total project cost	39,071,963		35,767,071	35,167,245	599,826		35,799,134	(32,063)
REFERENDUM - "NOT TO EXCEED" AMOUNT	39,077,594		39,077,594	Construction contract expense breakout				Net projected savings over referendum approved
Difference	(5,631)		(3,310,523)	28,471,884	Contract completed to date			
				151,123	Less retainage			
				28,320,761	Amount paid to A Dudley			3,278,460