

## NOTES & COMMENTS

### FY2015 QUARTER 3 -- FINANCIALS AS OF 3/31/2015

#### Overview

The close of the third quarter comes each year as we are fully focused on budget development for the following fiscal year. This report takes a moment to reflect on how our financial picture is progressing in FY2015.

#### Expenditures

The end of the third quarter is 75% through the fiscal year and 73% through the school year. The attached financial statements show that our year-to-date expenses in most cases range from 70% to 75% of budgeted funds and compare favorably with prior year trends. As usual at this time of year, I'll begin to project year-end budget-to-actual expenditures in more detail, but this high-level review is favorable.

A few variances of note:

**Charter Schools** -- As you know from earlier reports, we expect to be significantly over budget on charter school tuition costs for FY2015. As of March 31 we had paid three quarters of 2014-15, and I have estimated that we will end the year approximately \$57,000 over budget if enrollments do not change. We have budgeted \$269,000 for FY16, but changes to the funding formula coming from Augusta may mean that allocation will no longer be needed. Meanwhile we should have sufficient FY15 savings in other areas to offset this cost overrun.

**Instructional Technology** -- As described in the second quarter report, our costs for IT are paid to the Town via journal transfer. This report reflects the first half of those costs with the balance to be transferred at the end of June.

**Co-Curricular & Extra-Curricular** -- Co-curricular stipends are generally paid half in December and half in June, so this category lags below the 75% mark at third quarter. Conversely, spring Extra-Curriculars (athletics) are well underway before March 31, and spending is somewhat front-loaded.

**Transportation** -- Costs in this category are down slightly from prior years due to the retirement of several long-time employees as well as relatively favorable fuel prices.

**Facilities** -- This category is running a bit higher than prior years, with expenses driven by energy prices and very active winter weather. At 74.1%, however, we are still right on target for a favorable year-end picture.

#### Revenues

General fund revenues continue to roll in as expected, with variations in the prior year percentages due more to higher amounts budgeted this year than to any expected shortfall. State subsidy will be reduced by Medicare payments made directly to special purpose private schools in the model that was introduced two years ago by the DOE, but we see offsetting reimbursement in Medicaid revenues.

**NOTES & COMMENTS**  
**FY2015 QUARTER 3 -- FINANCIALS AS OF 3/31/2015**

**Special Funds**

Adult Education continues to thrive, with considerable interest in the workforce programs (CNA, Medical Assistant, etc.). School Nutrition is in a bit better position than at this time last year, but still running a significant deficit which we have discussed at length.

**Capital Projects**

As usual, 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. As you know, we have scaled back facilities CIP requests in the FY2016 budget proposal in deference to the amounts requested for Technology, but we do still have sufficient funds to take care of some important maintenance work this summer.

The Wentworth Building project is winding down, with just a handful of furnishings/equipment and technology items yet to be invoiced. We plan to close the project as of June 30, 2015, and apply all unused bonded funds to the payment of debt service in FY2016.

**In Summary**

With conversations around the FY2016 budget proposal focused on responsible spending by the School Department, we are able to say with confidence that the third quarter is on track and trending favorably.

**Scarborough School Department  
2014-2015 Financial Report  
Operating Account  
As of March 31, 2015**

<u>General Fund Appropriations:</u> (including encumbrances)	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY15 % Used	FY14 % Used	FY13 % Used
Regular Instruction:							
Regular Instruction Programs	17,021,924	17,021,924	12,638,746	4,383,178	74.2%	75.2%	74.3%
English as a Second Language (ESL)	259,966	259,966	161,368	98,598	62.1%	75.1%	71.0%
Gifted and Talented Programs	291,263	291,263	220,736	70,527	75.8%	75.5%	73.9%
Charter School Tuition	54,500	54,500	70,143	(15,643)	128.7%	90.1%	0.0%
Special Education Instruction	6,508,981	6,508,981	4,744,025	1,764,956	72.9%	73.3%	73.8%
CTE Instruction (Career & Technical Ed)	338,947	338,947	344,167	(5,220)	101.5%	127.6%	98.6%
Other Instruction:							
Co-Curricular	147,822	147,822	79,989	67,833	54.1%	68.6%	59.7%
Extra-Curricular	730,433	730,433	604,083	126,350	82.7%	81.7%	80.1%
Student & Staff Support:							
Guidance Services	1,159,435	1,159,435	848,218	311,217	73.2%	73.7%	73.7%
Health Services	562,250	562,250	404,713	157,537	72.0%	76.4%	71.7%
Instructional Technology	682,574	682,574	403,787	278,787	59.2%	65.5%	63.4%
Charter Commission Fees	2,250	2,250	4,671	(2,421)	207.6%	134.2%	0.0%
Improvement of Instruction	923,835	923,835	724,093	199,742	78.4%	79.9%	73.3%
Library Services	558,212	558,212	393,709	164,503	70.5%	73.3%	71.6%
System Administration	976,157	976,157	743,495	232,662	76.2%	80.7%	74.1%
School Administration	1,584,617	1,584,617	1,173,247	411,370	74.0%	74.2%	74.8%
Transportation	1,601,815	1,601,815	1,060,635	541,180	66.2%	71.7%	74.1%
Facilities & Maintenance	3,734,151	3,734,151	2,768,092	966,059	74.1%	68.3%	62.9%
Debt Service	4,776,492	4,776,492	3,421,019	1,355,473	71.6%	71.4%	73.4%
All Other	75,000	75,000	0	75,000	0.0%	0.0%	0.0%
<b>Total General Fund Appropriations</b>	<b>41,990,624</b>	<b>41,990,624</b>	<b>30,808,934</b>	<b>11,181,688</b>	<b>73.4%</b>		
<b>FY14 Year-to-date</b>	<b>39,325,825</b>	<b>39,325,825</b>	<b>29,117,243</b>	<b>10,208,582</b>		<b>74.0%</b>	
<b>FY13 Year-to-date</b>	<b>37,280,610</b>	<b>37,280,610</b>	<b>27,160,656</b>	<b>10,119,954</b>			<b>72.9%</b>

<u>Estimated Revenue:</u>	Budgeted Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY15 % Rec'd	FY14 % Rec'd	FY13 % Rec'd
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	3,696,933	(1,081,451)	77.4%	77.8%	75.3%
State Agency Client Funding	150,000	150,000	108,120	(41,880)	72.1%	173.5%	128.5%
Medicaid Reimbursement	25,000	25,000	22,567	(2,433)	90.3%	35.2%	100.0%
Comm. Services Daycare (rent space)	28,500	28,500	12,685	(15,815)	44.5%	47.8%	58.0%
Community Services Transportation	30,000	30,000	32,157	2,157	107.2%	100.5%	95.2%
Winslow Homer/Facility Rental Fees	40,000	40,000	31,462	(8,538)	78.7%	73.0%	95.6%
Student Sports/Activity Fees	157,500	157,500	119,140	(38,360)	75.6%	83.4%	49.9%
Other Miscellaneous Revenue	66,586	66,586	41,209	(25,377)	61.9%	68.5%	46.3%
<b>Total Revenue</b>	<b>41,990,624</b>	<b>41,990,624</b>	<b>40,778,928</b>	<b>(1,211,696)</b>	<b>97.1%</b>	<b>97.5%</b>	<b>96.6%</b>

**Scarborough School Department  
2014-2015 Financial Report  
Operating Account  
As of March 31, 2015**

**OTHER FUNDS**

<u>Adult Education:</u>	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY15 <u>% Used</u>
<b>Expenditures</b>	174,691	174,691	122,352	52,339	70.0%
<b>Revenues</b>	<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	26,111	(14,889)	63.7%
<b>Revenue totals</b>	<b>174,691</b>	<b>174,691</b>	<b>154,256</b>	<b>(20,435)</b>	<b>88.3%</b>
<b>Adult Education YTD fund balance</b>	<b>0</b>	<b>0</b>	<b>31,905</b>	<b>31,905</b>	

<u>School Nutrition Program:</u>	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY15 <u>% Used</u>
<b>Expenditures</b>	1,485,180	1,485,180	1,056,899	428,281	71.2%
<b>Revenues</b>	<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	701,555	(470,568)	59.9%
Federal Funding (USDA)	215,104	215,104	146,832	(68,272)	68.3%
State Funding (DOE)	10,177	10,177	14,307	4,130	140.6%
Summer Meal Program	12,776	12,776	14,682	1,906	114.9%
Contrib from General Fund	75,000	75,000	75,000	0	100.0%
<b>Revenue totals</b>	<b>1,485,180</b>	<b>1,485,180</b>	<b>952,377</b>	<b>(532,803)</b>	<b>64.1%</b>
<b>School Nutrition YTD fund balance</b>	<b>0</b>	<b>0</b>	<b>(104,522)</b>	<b>(104,522)</b>	

<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	92,729	131,630	(38,900)
Title IIA	0	56,333	44,295	12,039
Title III	0	3,337	3,624	(287)
Pre-K Local Entitlement	0	1,909	1,843	65
Local Entitlement	0	384,948	505,046	(120,097)
<b>Total Federal Restricted</b>	<b>0</b>	<b>539,256</b>	<b>686,437</b>	<b>(147,181)</b>

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

<u>Grants &amp; 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	3,217	15,863	2,354
Local grants & donations	26,152	14,380	15,319	25,213
Proficiency-based Graduation Grant	29,465	33,287	3,245	59,507
<b>Total Grants &amp; Trusts</b>	<b>290,288</b>	<b>50,885</b>	<b>49,969</b>	<b>291,203</b>

**School CIP project account status**

as of 3/31/2015

<b>FACILITIES</b>	<b>Account #</b>	<b>Budget Balance as of 6/30/2014</b>	<b>FY15 Budgeted</b>	<b>FY15 YTD Expenses*</b>	<b>Budget Balance including FY15</b>
District-wide Building Envelope	74001794 570000	4,898	50,000	25,850.00	29,048
District-wide Energy Improvements	73001803 570000	21,708	0	9,037.14	12,671
District-wide Flooring	74001791 570000	19,063	0	19,062.87	0.00
District-wide HVAC/Mechanical Systems	74176800 573100	22,491	50,000	26,487.19	46,004
District-wide Movable Equipment	74001792 573100	4,036	30,000	25,591.14	8,445
District-wide Roofing	74001771 570000	64,620	123,000	80,788.17	106,831
District-wide Security & Access Mgmt	74001787 570000	225,742	410,000	10,057.68	625,685
Facilities Support/Equipment	74176900 573100	17	111,000	85,918.00	25,099
HS Auditorium/Public Space	74001793 570000	0	35,000	36,869.00	(1,869)
Long-range Planning	73001798 570000	55,820	0	5,260.41	50,559
<b>TOTALS</b>		<b>418,396</b>	<b>809,000</b>	<b>324,921.60</b>	<b>902,474</b>

**TRANSPORTATION**

Bus purchase/lease	74001712 573600	1,780	328,653	277,458.00	52,975
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**TECHNOLOGY**

<b>Equipment Replacement</b>	<b>74001784 573100 (orig acct)</b>	<b>28,065</b>		<b>22,252.50</b>	<b>417,950</b>
HS Equipment Replacement	74001784-573100-04141			29,191.64	
MS Equipment Replacement	74001784-573100-04142			6,283.40	
WI Equipment Replacement	74001784-573100-04143			0.00	
K-2 Equipment Replacement	74001784-573100-04144			3,611.25	
DW Equipment Replacement	74001784-573100-04149		500,000	48,776.29	
<b>New Equipment</b>	<b>74001799 573100 (orig acct)</b>	<b>132,643</b>		<b>7,247.50</b>	<b>89,472</b>
HS Tech FY2014 New	74001799-573100-04141			78,167.85	
MS Tech FY2014 New	74001799-573100-04142		50,000	73,901.69	
WI Tech FY2014 New	74001799-573100-04143			0.00	
K-2 Tech FY2014 New	74001799-573100-04144			0.00	
DW Tech FY2014 New	74001799-573100-04149		98,500	32,353.45	
<b>TOTALS</b>		<b>160,708</b>	<b>648,500</b>	<b>301,785.57</b>	<b>507,423</b>

\*including encumbrances

**GRAND TOTALS**

**580,884      1,786,153      904,165.17      1,462,872**

**WENTWORTH SCHOOL**

New construction project - November 2011 to September 2014

**Project Expense Accounting**

	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
<b>A. NEW CONSTRUCTION</b>								
1 New Construction (includes retainage)	31,191,877	(3,118,171)	28,073,706	28,068,706	5,000	5,000	28,073,706	0
<b>Subtotal</b>	<b>31,191,877</b>		<b>28,073,706</b>	<b>28,068,706</b>	<b>5,000</b>	<b>5,000</b>	<b>28,073,706</b>	<b>0</b>
<b>B. ADMINISTRATIVE COSTS &amp; RESERVE</b>								
4 Moveable Equipment	1,026,668	0	1,026,668	1,010,794	15,874	10,000	1,020,794	5,874
5 Technology	1,056,418	0	1,056,418	960,799	95,619	24,000	984,799	71,619
6 Utility Allowance	90,000	0	90,000	133,694	(43,694)	0	133,694	(43,694)
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	19,515	198,485	0	19,515	198,485
10 Advertising/Insurance/Legal	40,000	0	40,000	28,626	11,374	0	28,626	11,374
11 Construction Contingency 7.25% see detail next page	2,262,065	(226,721)	2,035,344	1,801,258	234,086	0	1,801,258	234,086
12 Owner Construction	9,000		9,000	19,430	(10,430)	0	19,430	(10,430)
<b>Subtotal</b>	<b>5,265,151</b>		<b>5,078,430</b>	<b>4,771,915</b>	<b>306,515</b>	<b>34,000</b>	<b>4,805,915</b>	<b>272,515</b>
<b>C. FEES &amp; SERVICES</b>								
13 Architect/Engineer	1,887,435	0	1,887,435	1,887,435	0	0	1,887,435	0
14 A/E Reimbursable	70,000	0	70,000	32,268	37,732	0	32,268	37,732
15 Environmental Permitting	102,500	0	102,500	99,273	3,227	2,500	101,773	727
16 Construction & Testing Allowances	140,000	0	140,000	108,084	31,916	0	108,084	31,916
17 Commissioning (mech/elec/envelope)	102,000	0	102,000	98,940	3,060	3,060	102,000	0
18 Surveys/Soils	8,000	0	8,000	21,884	(13,884)	0	21,884	(13,884)
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	207,500	(27,500)	7,500	215,000	(35,000)
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)	0	90,300	(80,300)
<b>Subtotal</b>	<b>2,764,935</b>		<b>2,764,935</b>	<b>2,711,108</b>	<b>53,827</b>	<b>13,060</b>	<b>2,724,168</b>	<b>40,767</b>
<b>CUMULATIVE TOTALS</b>	<b>39,221,963</b>		<b>35,917,071</b>	<b>35,551,729</b>	<b>365,342</b>	<b>52,060</b>	<b>35,603,789</b>	<b>313,282</b>
Less Efficiency Maine & other misc credits	(150,000)		(150,000)	(103,855)	(46,145)	0	(103,855)	(46,145)
				35,447,874	319,197		35,499,934	267,137
<b>Total project cost</b>	<b>39,071,963</b>		<b>35,767,071</b>	<b>Construction contract expense breakout</b>				
				28,631,708	Contract completed to date			
				7,475	Less retainage			
				28,624,233	Amount paid to A Dudley			
<b>REFERENDUM - "NOT TO EXCEED" AMOUNT</b>	<b>39,077,594</b>		<b>39,077,594</b>	<b>Net projected savings over referendum approved</b>				
<b>Difference</b>	<b>(5,631)</b>		<b>(3,310,523)</b>					