

NOTES & COMMENTS

FY2016 QUARTER 1 -- FINANCIALS AS OF 9/30/2015

Overview

As you know from my last financial report, we ended FY2015 with a healthy undesignated fund balance of just under \$500,000. The auditors will be in-house with us next week, State reports are filed, and we continue to move forward to close out FY2015. The combined Town/School audit will be completed at the end of December and we will have an audit presentation in January. In the meantime, however, it's time to take a look at how FY2016 is beginning to shape up.

Expenditures

As many of you have heard me say before, first quarter expenses track differently depending on the function of the expense account. Salary and benefit lines for year-round staff have been used since July 1, while school-year staff lines don't begin to be expended until September. Expense accounts used for supplies, online services, membership dues and property insurance show a higher percentage spent in the first quarter because we pay up front to set us up for the start of the school year.

To ensure that we do not miss any red flags, our financial statements provide the "% used" figures from prior years; this way we can overcome any confusion caused by varied spending patterns, identify any notable variances, and determine whether or not we are on track. In most cases you will see that we are within one or two percentage points of prior year first quarter expenses.

Here are a few variances of note:

CTE Instruction -- It looks from the financial statement as if we have spent significantly more this year than in prior years, but this is a function of invoice timing. We pay only two bills from this account, one for PATHS and one for Westbrook Voc. This year the PATHS bill came earlier than usual, but we are still on target to come in under budget for this category.

Co-Curricular -- Higher expenses in this category are also somewhat an accident of timing. In order to improve record-keeping, we have been paying expenses for Oak Hill Players through MUNIS; after the show opens most of these expenses will be reimbursed.

Transportation -- Costs in this category are down quite a bit from prior years because of continued staffing challenges. Staff turnover and medical leaves have left us short-handed for the start of school; we still have two open driver positions and a shortage of qualified candidates. Of course the good news is that we are saving money, but at a cost of operational efficiency.

Revenues

One small advantage of the fact that over 86% of our revenues come from local tax dollars is that we can show a very sunny revenue picture in the first quarter. 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 on this report. Other revenues are on target compared with prior years, and we are showing an uptick in Student Fees with the addition of the High School Laptop fees.

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Other Funds

The Adult Education program continues to flourish, with tuition collection exceeding last year at this time. We're excited to see the fresh energy in the School Nutrition program; food quality is receiving great reviews, financially the fund is currently in balance, and while this transition year is likely to have some ups and downs, we feel we're on a very good track for the program as a whole.

Federal grants for FY2016 are approved, and monthly reimbursement requests have begun. Grant levels are similar to those in FY2015, in spite of a concern last year that our Local Entitlement funding would be reduced.

Capital Projects

As usual, this report includes a year-to-date summary of our multi-year CIP project accounts. Major expenses in first quarter represent the implementation of the High School laptop project, the acquisition of three replacement buses, and some scheduled summer facility repairs to building roofs, masonry and paving.

In Summary

FY2016 is in full swing, with school leaders and staff reaffirming a commitment to student-centered teaching and learning in a culture of continuous improvement. Before long we will begin budget conversations for next year, balancing our role as stewards of community resources with our obligation to act in the best interest of the children of Scarborough.

**Scarborough Public Schools
2015-2016 Financial Report
Operating Account
As of September 30, 2015**

<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>FY16 % Used</u>	<u>FY15 % Used</u>	<u>FY14 % Used</u>
Regular Instruction:							
Regular Instruction Programs	17,560,839	17,560,839	4,532,913	13,027,926	25.8%	25.9%	26.2%
English as a Second Language (ESL)	266,025	266,025	57,365	208,660	21.6%	24.4%	25.9%
Gifted and Talented Programs	292,651	292,651	77,130	215,522	26.4%	26.1%	25.8%
Special Education Instruction	6,996,457	6,996,457	1,351,675	5,644,782	19.3%	20.8%	21.1%
CTE Instruction (Career & Technical Ed)	293,591	293,591	115,033	178,558	39.2%	0.0%	0.0%
Other Instruction:							
Co-Curricular	137,641	137,641	14,010	123,631	10.2%	3.9%	5.8%
Extra-Curricular	787,476	787,476	113,804	673,672	14.5%	12.9%	19.2%
Student & Staff Support:							
Guidance Services	1,211,008	1,211,008	298,048	912,960	24.6%	25.0%	24.9%
Health Services	571,662	571,662	126,588	445,074	22.1%	22.3%	23.6%
Instructional Technology	856,739	856,739	123,400	733,339	14.4%	13.5%	15.6%
Improvement of Instruction	942,848	942,848	410,773	532,075	43.6%	44.5%	45.6%
Library Services	607,496	607,496	124,900	482,596	20.6%	21.4%	21.2%
System Administration	997,264	997,264	275,704	721,560	27.6%	29.8%	28.6%
School Administration	1,595,697	1,595,697	380,798	1,214,899	23.9%	25.0%	23.1%
Transportation	1,529,166	1,529,166	185,225	1,343,941	12.1%	17.1%	18.7%
Facilities & Maintenance	3,753,759	3,753,759	921,284	2,832,475	24.5%	23.3%	20.3%
Debt Service	5,118,437	5,118,437	0	5,118,437	0.0%	0.0%	0.0%
All Other	25,000	25,000	0	25,000	0.0%	0.0%	0.0%
Total General Fund Appropriations	43,543,756	43,543,756	9,108,651	34,435,105	20.9%		
FY15 Year-to-date	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%

<u>Estimated Revenue:</u>	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY16 % Rec'd</u>	<u>FY15 % Rec'd</u>	<u>FY14 % Rec'd</u>
Town Funding - Tax Levy	37,659,488	37,659,488	37,659,488	0	100.0%	100.0%	100.0%
Use of Fund Balance	425,000	425,000	425,000	0	100.0%	100.0%	100.0%
Wentworth Unused Funds/Bond Premium	274,390	274,390	274,390	0	100.0%	0.0%	0.0%
State Subsidy - GPA	4,645,178	4,645,178	1,094,466	(3,550,712)	23.6%	27.3%	27.6%
State Agency Client Funding	172,000	172,000	0	(172,000)	0.0%	0.0%	0.0%
Medicaid Reimbursement	48,500	48,500	592	(47,908)	1.2%	0.0%	0.0%
Comm. Services Daycare (rent space)	29,700	29,700	0	(29,700)	0.0%	0.0%	0.0%
Community Services Transportation	32,500	32,500	26,252	(6,248)	80.8%	98.5%	0.0%
Winslow Homer/Facility Rental Fees	43,000	43,000	3,085	(39,915)	7.2%	5.8%	17.2%
Student Sports/Activity Fees	157,500	157,500	67,031	(90,469)	42.6%	25.0%	34.0%
Other Miscellaneous Revenue	56,500	56,500	87	(56,413)	0.2%	0.0%	3.8%
Total Revenue	43,543,756	43,543,756	39,550,392	(3,993,364)	90.8%	90.7%	91.3%

**Scarborough Public Schools
2015-2016 Financial Report
Operating Account
As of September 30, 2015**

OTHER FUNDS

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY16 <u>% Used</u>	FY15 <u>% Used</u>
<u>Adult Education:</u>						
Expenditures	181,552	181,552	38,419	143,133	21.2%	23.0%
Revenues	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY16 % Rec'd</u>	<u>FY15 % Rec'd</u>
Town Funding - Tax Levy	99,552	99,552	99,552	0		
State Subsidy - Adult Ed	25,000	25,000	0	(25,000)		
Adult Ed Tuition	57,000	57,000	4,928	(52,072)		
Revenue totals	181,552	181,552	104,480	(77,072)	57.5%	57.4%
Adult Education YTD fund balance	0	0	66,061	66,061		

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY16 <u>% Used</u>	FY15 <u>% Used</u>
<u>School Nutrition Program:</u>						
Expenditures	1,495,568	1,495,568	167,510	1,328,058	11.2%	11.7%
Revenues	<u>Budgeted Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY16 % Rec'd</u>	<u>FY15 % Rec'd</u>
Food Sales	1,164,502	1,164,502	125,066	(1,039,436)		
Federal Funding (USDA)	258,000	258,000	0	(258,000)		
State Funding (DOE)	15,000	15,000	0	(15,000)		
Summer Meal Program	18,500	18,500	4,834	(13,666)		
Grants & Donations	2,000	2,000	0	(2,000)		
Contrib from General Fund	37,566	37,566	37,566	0		
Revenue totals	1,495,568	1,495,568	167,466	(1,328,102)	11.2%	15.9%
School Nutrition YTD fund balance	0	0	(44)	(44)		

	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance*</u>
<u>Federal Restricted Funds:</u>				
Title IA	0	9,337	31,108	(21,771)
Title IIA	0	0	0	0
Pre-K Local Entitlement	0	0	4,865	(4,865)
Local Entitlement	0	43,059	152,347	(109,287)
Total Federal Restricted	0	52,397	188,320	(135,923)

*reimbursement pending - Federal funds disbursed after expenditures are reported

	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance</u>
<u>Grants & Trusts:</u>				
Louis & Tina Fineberg Trust	204,129	0	0	204,129
Scarborough Education Foundation	12,417	0	4,857	7,560
Local grants & donations	8,627	2,950	0	11,577
CC Admin Recertification (fiscal agent)	524	0	0	524
Proficiency-based Graduation Grant	51,155	0	14,023	37,132
Total Grants & Trusts	276,852	2,950	18,880	260,922

School CIP project account status

as of 9/30/2015

FACILITIES	<u>Account #</u>	Budget Balance as of 6/30/2015	FY16 Budgeted	FY16 YTD Expenses*	Budget Balance as of 9/30/2015
Long-range Planning	73001798 570000	49,559	0	0.00	49,559
District-wide Energy Improvements	73001803 570000	12,671	20,000	0.00	32,671
District-wide Roofing	74001771 570000	96,987	30,000	105,308.00	21,679
District-wide Security & Access Mgmt	74001787 570000	570,928	0	47,159.22	523,769
District-wide Flooring	74001791 570000	(1,000.00)	20,000	7,500.00	11,500.00
District-wide Movable Equipment	74001792 573100	8,445	73,728	36,229.98	45,943
HS Auditorium/Public Space	74001793 570000	0	0	0.00	0
District-wide Building Envelope	74001794 570000	25,990	0	25,990.00	0
District-wide Pavement Maintenance	74001805 570000	0	30,000	30,000.00	0
District-wide HVAC/Mechanical Systems	74176800 573100	37,635	50,000	0.00	87,635
Facilities Support/Equipment	74176900 573100	16,999	0	4,099.00	12,900
TOTALS		818,215	223,728	256,286.20	785,656

TRANSPORTATION

Bus purchase/lease	74001712 573600	52,975	316,248	301,350.00	67,873
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TECHNOLOGY

Equipment Replacement	74001784 573100 (orig acct)	443,907			285,079
HS Equipment Replacement	74001784-573100-04141			138,130.30	
MS Equipment Replacement	74001784-573100-04142			15,796.00	
WI Equipment Replacement	74001784-573100-04143			0.00	
K-2 Equipment Replacement	74001784-573100-04144			0.00	
DW Equipment Replacement	74001784-573100-04149		10,000	14,901.30	
New Equipment	74001799 573100 (orig acct)	(585,822)			146,240
HS Tech FY2014 New	74001799-573100-04141		707,475	15,413.00	
MS Tech FY2014 New	74001799-573100-04142			0.00	
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		40,000	0.00	
TOTALS		(141,915)	757,475	184,240.60	431,319

(HS laptops budgeted in FY16, invoice posted to FY15.)

*including encumbrances

GRAND TOTALS		729,275	1,297,451	741,876.80	1,284,849
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