

NOTES & COMMENTS

FY22 QUARTER 3 -- FINANCIALS AS OF 3/31/2022

Overview

The end of the third quarter each year coincides with the busiest time in budget preparations for the following fiscal year, and this year we are turning our attention to Quarter 3 of FY22 a bit later than usual. This report gives a status update prior to the close of quarter 4 and the more in-depth analysis of our fiscal position that will be provided at year end.

Expenditures

The end of the third quarter is 75% through the fiscal year and 73% through the school year. As usual in our quarterly financial statements, this report includes columns showing comparative percentages from the second quarter of the two prior fiscal years, to help us identify and address any notable variances. Overall, spending is within 2 or 3 percentage points of prior years in most categories, although comparison with FY20 figures is still impacted by the delay in ratification of the Teachers' collective bargaining agreement that year (retro pay was issued in June 2020, Quarter 4).

As noted in Quarter 2, although it is clear that we have returned to more normal spending patterns this school year, there are areas where we are still feeling impacts of the pandemic environment. Here are some variances of note:

- **Special Services** – While we do see an increase in spending over FY21, we are still below the expected 73-75% expenditure rate for Quarter 3. As you have heard throughout the budget process, hiring for open positions has been challenging across all departments, and Special Education ed techs have been particularly difficult to find in recent years, with high turnover and a number of positions remaining unfilled throughout the school year. As a result, we are trending toward a significant year-end surplus in this category.
- **Extra-Curricular** – Although we are pleased to have most of our athletics offerings available this year and have been encouraged by the high levels of student participation, we expect a budget surplus at year end due to the deferred schedule for repairs to the turf field, which will result in savings on anticipated expenses budgeted for relocation of Spring 2022 programs to interim facilities.
- **Instructional Technology** – The lower third quarter expenditure rate in this category reflects the slowed pace of equipment purchases from the operating budget compared with the investments made to support hybrid learning in FY21, with current focus on smaller scale projects and replacement devices.
- **Transportation** – Expenses in this category are trending closer to FY20 spending patterns, with successful hiring and training efforts leading to a more complete staff roster. While some savings are expected with the continued limits on field trips and Community Services travel, we expect that increased fuel costs will be likely to absorb any significant savings in this category.

Revenues

Third quarter revenues continue to show good recovery in comparison with the prior year. We expect year-end shortfalls in State Agency Client reimbursements and facility rentals, but any reduction in budgeted revenue will be easily balanced with expenditure surplus. We will be setting up our newly authorized Capital Reserve fund with \$488,512 once we receive our final subsidy payment in June.

Other Funds

The **Adult Education** program has continued to rebuild participation levels, adjusting to new expectations for online offerings while expanding in-person opportunities in enrichment classes, and keeping workforce and ELL courses filled. We anticipate having a positive fund balance at year end, which we will plan to use as revenue in the FY24 budget (as we did for FY23). **School Nutrition** continues to serve record numbers of both breakfast and lunch meals across the district, with food sales revenues principally received at the High School where a la carte offerings are available. Current USDA reimbursement levels will continue through the end of the school year and we are very pleased to be anticipating a positive fund balance at year end. As reported in Quarter 2, **Federal Grant** revenues are coming in through the state's new grant management portal, which has slowed the reimbursement process. All approved grant funds are available, however, and revenues will match expenditures by year-end.

Capital Projects

By the end of Quarter 3, most of the Facilities Department planned maintenance projects for the year are completed, and large-scale projects will not begin again until the summer months. Funding in capital accounts is available on a multi-year basis, allowing for project scheduling to minimize disruption for staff and students.

In Summary

As we look forward to approval of the FY23 budget, we are pleased to be in a solid financial position heading into the end of FY22. We have been very fortunate to have access to financial resources over this past school year to support our students' successful return to in-person learning, and address their learning recovery and social/emotional needs. Although we don't anticipate the high level of year-end surplus we saw in FY21, we do expect to have sufficient savings in FY22 to help with future budget development and avoid an abrupt drop in non-tax revenues.

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| | Approved <u>Budget</u> | Revised <u>Budget</u> | Year-to-date <u>Expended</u> | Budget <u>Balance</u> | FY22 <u>% Used</u> | FY21 <u>% Used</u> | FY20 <u>% Used</u> |
|---|---------------------------|--------------------------|---------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| General Fund Expenditures: (including encumbrances) | | | | | | | |
| Regular Instruction: | | | | | | | |
| Regular Instruction Programs | 22,900,410 | 22,900,410 | 16,857,283 | 6,043,127 | 73.6% | 73.2% | 72.7% |
| English as a Second Language (ESL) | 409,578 | 409,578 | 299,137 | 110,441 | 73.0% | 75.9% | 74.4% |
| Gifted and Talented Programs | 366,073 | 366,073 | 275,338 | 90,735 | 75.2% | 75.0% | 72.9% |
| Special Education Instruction | 10,258,945 | 10,258,945 | 7,089,975 | 3,168,970 | 69.1% | 66.7% | 69.1% |
| CTE Instruction (Career & Technical Ed) | 0 | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Other Instruction: | | | | | | | |
| Co-Curricular | 200,338 | 200,338 | 102,960 | 97,378 | 51.4% | 35.9% | 67.7% |
| Extra-Curricular | 1,211,674 | 1,211,674 | 879,799 | 331,875 | 72.6% | 54.9% | 76.7% |
| Student & Staff Support: | | | | | | | |
| Guidance Services | 1,665,632 | 1,665,632 | 1,255,207 | 410,425 | 75.4% | 74.7% | 72.3% |
| Health Services | 849,701 | 849,701 | 658,934 | 190,767 | 77.5% | 66.8% | 71.1% |
| Improvement of Instruction | 977,217 | 977,217 | 656,236 | 320,981 | 67.2% | 66.8% | 75.3% |
| Instructional Technology | 1,336,728 | 1,336,728 | 706,458 | 630,270 | 52.8% | 62.3% | 62.6% |
| Library Services | 800,131 | 800,131 | 558,285 | 241,846 | 69.8% | 71.0% | 69.7% |
| System Administration | 1,407,428 | 1,407,428 | 991,459 | 415,969 | 70.4% | 71.8% | 75.6% |
| School Administration | 1,833,187 | 1,833,187 | 1,380,608 | 452,579 | 75.3% | 72.7% | 72.1% |
| Transportation | 1,737,872 | 1,737,872 | 1,113,579 | 624,293 | 64.1% | 55.4% | 71.0% |
| Facilities & Maintenance | 4,190,725 | 4,190,725 | 3,138,929 | 1,051,796 | 74.9% | 68.8% | 72.9% |
| Debt Service | 5,537,376 | 5,537,376 | 4,576,940 | 960,436 | 82.7% | 78.7% | 80.9% |
| All Other | 0 | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| Total General Fund Appropriations | 55,683,015 | 55,683,015 | 40,541,127 | 15,141,888 | 72.8% | | |
| FY21 Year-to-date | 53,311,243 | 53,311,243 | 37,648,355 | 15,662,888 | | 70.6% | |
| FY20 Year-to-date | 51,426,993 | 51,426,993 | 37,390,862 | 14,036,131 | | | 72.7% |

| | Estimated <u>Revenue</u> | Revised <u>Estimate</u> | Year-to-date <u>Received</u> | Balance/ <u>(Shortfall)</u> | FY22 <u>% Rec'd</u> | FY21 <u>% Rec'd</u> | FY20 <u>% Rec'd</u> |
|-------------------------------------|-----------------------------|----------------------------|---------------------------------|--------------------------------|------------------------|------------------------|------------------------|
| General Fund Revenues: | | | | | | | |
| Town Funding - Local Taxes | 49,456,932 | 49,456,932 | 49,456,932 | 0 | 100.0% | 100.0% | 100.0% |
| Use of Fund Balance | 1,000,000 | 1,000,000 | 1,000,000 | 0 | 100.0% | 100.0% | 100.0% |
| State Subsidy - GPA | 4,903,083 | 4,903,083 | 4,097,645 | (805,438) | 83.6% | 75.7% | 73.5% |
| State Agency Client Funding | 60,000 | 60,000 | 0 | (60,000) | 0.0% | 8.5% | 35.8% |
| Comm. Services Daycare (rent space) | 35,000 | 35,000 | 12,573 | (22,427) | 35.9% | 0.0% | 0.0% |
| Community Services Transportation | 25,000 | 25,000 | 20,242 | (4,758) | 81.0% | 0.0% | 0.0% |
| Winslow Homer/Facility Rental Fees | 23,000 | 23,000 | 5,264 | (17,736) | 22.9% | 0.0% | 35.0% |
| Student Sports/Activity Fees | 120,000 | 120,000 | 107,051 | (12,949) | 89.2% | 39.4% | 62.8% |
| Other Miscellaneous Revenue | 60,000 | 60,000 | 72,709 | 12,709 | 121.2% | 85.0% | 71.0% |
| Total Revenue | 55,683,015 | 55,683,015 | 54,772,417 | (910,598) | 98.4% | 97.7% | 97.8% |

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OTHER FUNDS

Adult Education:

| | Approved <u>Budget</u> | Revised <u>Budget</u> | Year-to-date <u>Expended</u> | Budget <u>Balance</u> | FY22 <u>% Used</u> | FY21 <u>% Used</u> | FY20 <u>% Used</u> |
|--|-----------------------------|----------------------------|---------------------------------|--------------------------------|------------------------|------------------------|------------------------|
| Expenditures | | | | | | | |
| Wages & benefits (instructors & program admin) | 152,629 | 152,629 | 94,345 | 58,284 | 61.8% | 45.4% | 75.2% |
| General supplies & operations | 11,760 | 11,760 | 8,153 | 3,607 | 69.3% | 68.9% | 78.0% |
| Instructional supplies, software & equipment | 15,250 | 15,250 | 5,262 | 9,988 | 34.5% | 52.6% | 65.7% |
| Expenditure totals | 179,639 | 179,639 | 107,760 | 71,879 | 60.0% | 47.2% | 74.7% |
| | Estimated <u>Revenue</u> | Revised <u>Estimate</u> | Year-to-date <u>Received</u> | Balance/ <u>(Shortfall)</u> | FY22 <u>% Rec'd</u> | FY21 <u>% Rec'd</u> | FY20 <u>% Rec'd</u> |
| Revenues | | | | | | | |
| Town Funding - Local Taxes | 65,481 | 65,481 | 65,481 | 0 | 100.0% | 100.0% | 100.0% |
| Use of Fund Balance | 30,000 | 30,000 | 30,000 | 0 | 100.0% | 100.0% | 100.0% |
| State Subsidy - Adult Ed | 36,969 | 36,969 | 48,979 | 12,010 | 132.5% | 97.5% | 103.3% |
| Grant Funds | 2,000 | 2,000 | 1,210 | (790) | 60.5% | 166.0% | 100.0% |
| Adult Ed Tuition | 45,189 | 45,189 | 17,873 | (27,316) | 39.6% | 24.7% | 32.6% |
| Revenue totals | 179,639 | 179,639 | 163,544 | (16,095) | 91.0% | 78.6% | 74.7% |

Adult Education YTD fund balance

55,784

School Nutrition Program:

| | Approved <u>Budget</u> | Revised <u>Budget</u> | Year-to-date <u>Expended</u> | Budget <u>Balance</u> | FY22 <u>% Used</u> | FY21 <u>% Used</u> | FY20 <u>% Used</u> |
|--|----------------------------|----------------------------|---------------------------------|--------------------------------|------------------------|------------------------|------------------------|
| Expenditures | | | | | | | |
| Wages & Benefits | 1,126,763 | 1,126,763 | 779,629 | 347,134 | 69.2% | 66.8% | 74.3% |
| Food & Beverages | 595,500 | 595,500 | 575,133 | 20,367 | 96.6% | 34.5% | 75.1% |
| Contracted Services (software & repairs) | 26,500 | 26,500 | 19,872 | 6,628 | 75.0% | 94.4% | 124.0% |
| Supplies & Equipment | 56,450 | 56,450 | 75,424 | (18,974) | 133.6% | 37.5% | 59.9% |
| Operations | 1,750 | 1,750 | 1,562 | 188 | 89.2% | 69.6% | 58.1% |
| Expenditure totals | 1,806,963 | 1,806,963 | 1,451,620 | 355,343 | 80.3% | 55.9% | 74.6% |
| | Budgeted <u>Revenue</u> | Revised <u>Estimate</u> | Year-to-date <u>Received</u> | Balance/ <u>(Shortfall)</u> | FY22 <u>% Rec'd</u> | FY21 <u>% Rec'd</u> | FY20 <u>% Rec'd</u> |
| Revenues | | | | | | | |
| Town Funding - Local Taxes | 200,000 | 200,000 | 200,000 | 0 | 100.0% | 100.0% | 100.0% |
| Food Sales | 1,310,963 | 1,310,963 | 148,848 | (1,162,115) | 11.4% | 0.8% | 62.9% |
| Federal Funding (USDA) | 272,000 | 272,000 | 1,095,657 | 823,657 | 402.8% | 0.0% | 34.7% |
| State Funding (DOE) | 18,000 | 18,000 | 35,232 | 17,232 | 195.7% | 58.5% | 79.7% |
| Grants & Donations | 6,000 | 6,000 | 1,638 | (4,362) | 27.3% | 2123.9% | 26.3% |
| Revenue totals | 1,806,963 | 1,806,963 | 1,481,374 | (325,589) | 82.0% | 36.4% | 62.8% |

School Nutrition YTD fund balance

29,755

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| Federal Restricted Funds: | <u>Beg. Balance</u> | <u>FY22 Grant Funds Available</u> | <u>Year-to-date</u> | <u>Year-to-date</u> | <u>Available Funds*</u> |
|----------------------------------|---------------------|---------------------------------------|---------------------|---------------------|-------------------------|
| | | | <u>Revenues</u> | <u>Expenses</u> | |
| ESSER I | 0 | 58,316 | 58,316 | 58,316 | 0 |
| ESSER II | 0 | 438,893 | 62,504 | 247,365 | 191,528 |
| ARP ESSER III | 0 | 985,994 | 71,012 | 308,786 | 677,208 |
| ARP Pre-K Local Entitlement | 0 | 19,251 | 0 | 0 | 19,251 |
| ARP Local Entitlement | 0 | 165,254 | 44,250 | 48,485 | 116,769 |
| Title IA | 0 | 180,182 | 66,258 | 101,196 | 78,986 |
| Title IIA | 0 | 126,433 | 23,929 | 21,033 | 105,401 |
| Pre-K Local Entitlement | 0 | 11,660 | 11,660 | 11,660 | 0 |
| Local Entitlement | 0 | 966,704 | 225,489 | 612,425 | 354,279 |
| Total Federal Restricted | 0 | 2,952,686 | 563,417 | 1,409,264 | 1,543,422 |

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

| Grants & Trusts: | <u>Beg. Balance</u> | <u>Year-to-date</u> | <u>Year-to-date</u> | <u>End. Balance</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| | | <u>Revenues</u> | <u>Expenses</u> | |
| Louis & Tina Fineberg Trust | 136,743 | 0 | 0 | 136,743 |
| Scarborough Education Foundation | 25,555 | 10,996 | 11,875 | 24,676 |
| Local grants & donations | 30,331 | 5,120 | 7,252 | 28,199 |
| CC Admin Recertification (fiscal agent) | 245 | 9,775 | 4,238 | 5,782 |
| Tech Maintenance Fees | 64,338 | 303 | 60,452 | 4,190 |
| School Nutrition Special Programs | 6,886 | 2,250 | 7,974 | 1,162 |
| MLTI State Reimbursement | 102,787 | 51,393 | 59,164 | 95,016 |
| PEPG State Grant | 588 | 0 | 0 | 588 |
| Proficiency-based Graduation Grant | 3,083 | 0 | 0 | 3,083 |
| Total Grants & Trusts | 370,556 | 79,837 | 150,953 | 299,440 |

School CIP project account status
as of 3/31/2022

| FACILITIES | Account # | Budget Balance as of 6/30/2021 | FY22 Budgeted | FY22 YTD Expenses* | Budget Balance as of 3/31/2022 |
|--------------------------------------|------------------|---|--------------------------|-------------------------------|---|
| Long-range Planning | 73001798 570000 | 103,173 | 286,250 | 0 | 389,423 |
| District-wide Energy Improvements | 73001803 570000 | 162 | 0 | 0 | 162 |
| District-wide Plumbing | 74001739 570000 | 33,423 | 0 | 0 | 33,423 |
| District-wide Roofing | 74001771 570000 | (0) | 132,051 | 131,637 | 414 |
| District-wide Interior Finishes | 74001772 570000 | 52,847 | 0 | 19,297 | 33,550 |
| District-wide Security & Access Mgmt | 74001787 570000 | 143,369 | 20,000 | 27,412 | 135,957 |
| District-wide Flooring | 74001791 570000 | 2,143 | 47,500 | 4,458 | 45,185 |
| District-wide Movable Equipment | 74001792 573100 | 117,370 | 100,000 | 80,958 | 136,412 |
| District-wide Building Envelope | 74001794 570000 | 47,604 | 62,800 | 64,200 | 46,204 |
| District-wide Grounds & Site Mtce | 74001805 570000 | 412 | 150,000 | 141,248 | 9,164 |
| Athletics Facilities/Equipment | 74001807 570000 | 22,005 | 28,000 | 0 | 50,005 |
| HS Science Labs Retrofit | 74001808 570000 | 43,508 | 350,000 | 127,651 | 265,857 |
| District-wide HVAC/Mechanical | 74176800 573100 | 511,511 | 0 | 489,555 | 21,956 |
| Facilities Support/Equipment | 74176900 573100 | 44,417 | 0 | 25,423 | 18,995 |
| Facilities Support/Vehicles | 74176900 573200 | 714 | 50,000 | 50,000 | 714 |
| TOTALS | | 1,181,404 | 1,226,601 | 1,161,839 | 1,246,167 |

TOWN/SCHOOL PROJECT

| | | | | | |
|--------------------------------|-----------------|---|-----------|--------|-----------|
| Turf field & track replacement | 74001795 570000 | 0 | 1,900,800 | 18,038 | 1,882,762 |
|--------------------------------|-----------------|---|-----------|--------|-----------|

TRANSPORTATION

| | | | | | |
|--------------------|-----------------|--------|---------|---------|--------|
| Bus purchase/lease | 74001712 573600 | 31,927 | 346,500 | 359,100 | 19,327 |
|--------------------|-----------------|--------|---------|---------|--------|

TECHNOLOGY

| | | | | | |
|-----------------------|-----------------|--------------|----------------|---------------|---------------|
| Equipment Replacement | 74001784 573100 | (0) | 165,000 | 74,244 | 90,756 |
| New Equipment | 74001799 573100 | 7,283 | 0 | 3,051 | 4,232 |
| TOTALS | | 7,283 | 165,000 | 77,295 | 94,988 |

*including encumbrances

| | | | | | |
|---------------------|--|------------------|------------------|------------------|------------------|
| GRAND TOTALS | | 1,220,614 | 3,638,901 | 1,616,271 | 1,360,482 |
|---------------------|--|------------------|------------------|------------------|------------------|