

NOTES & COMMENTS

FY23 QUARTER 3 -- FINANCIALS AS OF 3/31/2023

Overview

By the end of the third quarter each year we have already turned our focus to budget preparations for the following fiscal year. This FY23 report provides a status update on our current financial position as well as an early forecast of our expected status 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 third 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, with numbers continuing to level off to normal levels since FY21. Throughout the budget categories, inflationary pressures in supplies and services have been offset by savings in personnel costs due to the tight labor market, with the result that we are still in a comfortable position budget-to-actual.

Here are some variances to note – in most cases with expected impacts on year-end surplus:

- **Special Services** – Turnover and open positions have continued throughout the year in the Special Services department. Despite creative efforts to realign positions and ensure services are provided to our students, we are anticipating an unspent balance of close to \$600,000 in salary and benefit lines.
- **System Administration** – Due to a mid-year resignation in our Business Office staff and a strategic delay in filling that position as we work to reorganize our personnel resources, we expect to generate approximately \$40,000 in savings in this budget category.
- **Transportation** – Again in this expenditure category, continued turnover and open positions have reduced spending in personnel accounts, offsetting the increases in vehicle maintenance and fuel costs. Although retail diesel costs remain high, the Town entered into a new fuel contract in late January, resulting in more favorable pricing. We anticipate a year-end surplus in this budget category of about \$130,000.
- **Facilities & Maintenance** – as with Transportation, the increased cost of supplies and services in Facilities have been offset by savings in personnel costs due to unfilled custodial positions. The volatility in energy pricing seems to be settling down a bit, and we are doing better than expected on electricity costs, while increases in natural gas, oil and propane were anticipated in our budget projections and remain manageable.
- **Debt Service** – the actual cost of debt payments in FY23 has been confirmed by the Town Finance Office at a savings of \$200,000 on the amount budgeted.

In addition, turnover savings in salaries and benefits throughout the school budget this year are expected to result in a savings of close to \$400,000 overall.

Revenues

Third quarter revenues are trending well, with any year-end budget shortfalls expected to be easily balanced with expenditure surplus. The financial statement notes \$1,500,000 in prior year fund balance used as revenue, which will flow through to the updated surplus calculated at FY23 year-end.

Other Funds

The **Adult Education** program is still feeling the impacts of the pandemic, with reduced interest in the health care programs which were so popular in the past. Apart from continuing to expand our enrichment offerings, our current focus remains on supporting English Language Learners with both literacy courses and workforce preparation. Partnerships with Abbott Labs and the Scarborough Library are some of the creative ways our program has reached out to serve the needs of new Mainers. Despite an expected tuition revenue shortfall, we anticipate having a positive fund balance at year end, \$20,000 of which is currently planned for use as revenue in the FY24 budget.

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 and Middle School where a la carte offerings have been restored post-pandemic. The State is committed to providing reimbursement levels to supplement USDA revenues and allow for school meals to be offered free to all students this year and next, and while revenues currently lag behind expenses we anticipate that all program costs will be covered by year-end.

As reported in Quarter 2, **Federal Grant** revenues always run behind expenses due to the structure of the state's reimbursement system. We continue to submit invoices monthly and all FY23 expenses will be reimbursed by year-end. Over the next few weeks we will also receive allocation information for next year's grants, giving us a clearer picture of resources continuing into FY24.

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. A notable exception in Facilities is the work that was undertaken over the April break on accessibility improvements to the Wentworth playground. Expenses for both the new Transportation software and replacement tech equipment are also moving forward in preparation for full implementation in the coming school year.

In Summary

As we work toward the completion of our FY24 budget, we will continue to monitor some of the more volatile areas of spending in our current economic environment, but we are already confident enough at this point to predict another comfortable year-end surplus, which is critical to sustaining the non-tax revenue level in our FY24 budget proposal, as well as leaving a cushion for use in future budget years.

**Scarborough Public Schools
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	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY23 <u>% Used</u>	FY22 <u>% Used</u>	FY21 <u>% Used</u>
<u>General Fund Expenditures:</u> (including encumbrances)							
Regular Instruction:							
Regular Instruction Programs	23,955,747	23,955,747	17,638,566	6,317,181	73.6%	73.6%	73.2%
English as a Second Language (ESL)	413,220	413,220	310,495	102,725	75.1%	73.0%	75.9%
Gifted and Talented Programs	386,784	386,784	289,107	97,677	74.7%	75.2%	75.0%
Special Education Instruction	11,064,123	11,064,123	7,762,549	3,301,574	70.2%	69.1%	66.7%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	211,446	211,446	115,428	96,018	54.6%	51.4%	35.9%
Extra-Curricular	1,334,419	1,334,419	947,970	386,449	71.0%	72.6%	54.9%
Student & Staff Support:							
Guidance Services	1,757,825	1,757,825	1,305,242	452,583	74.3%	75.4%	74.7%
Health Services	892,024	892,024	657,972	234,052	73.8%	77.5%	66.8%
Improvement of Instruction	902,090	902,090	679,384	222,706	75.3%	67.2%	66.8%
Instructional Technology	1,488,865	1,488,865	928,799	560,066	62.4%	52.8%	62.3%
Library Services	815,533	815,533	561,848	253,685	68.9%	69.8%	71.0%
System Administration	1,451,500	1,451,500	975,851	475,649	67.2%	70.4%	71.8%
School Administration	1,920,485	1,920,485	1,410,926	509,559	73.5%	75.3%	72.7%
Transportation	1,893,021	1,893,021	1,207,354	685,667	63.8%	64.1%	55.4%
Facilities & Maintenance	4,601,844	4,601,844	3,326,315	1,275,529	72.3%	74.9%	68.8%
Debt Service	5,712,560	5,712,560	4,342,208	1,370,352	76.0%	82.7%	78.7%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	58,801,486	58,801,486	42,460,015	16,341,471	72.2%		
FY22 Year-to-date	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%

	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY23 <u>% Rec'd</u>	FY22 <u>% Rec'd</u>	FY21 <u>% Rec'd</u>
<u>General Fund Revenues:</u>							
Town Funding - Local Taxes	51,949,958	51,949,958	51,949,958	0	100.0%	100.0%	100.0%
Use of Fund Balance	1,500,000	1,500,000	1,500,000	0	100.0%	100.0%	100.0%
State Subsidy - GPA	5,003,528	5,003,528	3,788,422	(1,215,106)	75.7%	83.6%	75.7%
State Agency Client Funding	60,000	60,000	9,303	(50,697)	15.5%	0.0%	8.5%
Comm. Services Daycare (rent space)	35,000	35,000	0	(35,000)	0.0%	35.9%	0.0%
Community Services Transportation	25,000	25,000	0	(25,000)	0.0%	81.0%	0.0%
Winslow Homer/Facility Rental Fees	23,000	23,000	8,083	(14,918)	35.1%	22.9%	0.0%
Student Sports/Activity Fees	145,000	145,000	116,307	(28,693)	80.2%	89.2%	39.4%
Summer Academy Fees	0	0	5,075	5,075	100.0%	0.0%	0.0%
Other Miscellaneous Revenue	60,000	60,000	52,926	(7,074)	88.2%	121.2%	85.0%
Total Revenue	58,801,486	58,801,486	57,430,074	(1,371,412)	97.7%	98.4%	97.7%

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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>	FY23 <u>% Used</u>	FY22 <u>% Used</u>	FY21 <u>% Used</u>
Expenditures							
Wages & benefits (instructors & program admin)	154,310	154,310	94,432	59,878	61.2%	61.8%	45.4%
General supplies & operations	11,360	11,360	10,342	1,018	91.0%	69.3%	68.9%
Instructional supplies, software & equipment	18,700	18,700	4,038	14,662	21.6%	34.5%	52.6%
Expenditure totals	184,370	184,370	108,812	75,558	59.0%	60.0%	47.2%
	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY23 <u>% Rec'd</u>	FY22 <u>% Rec'd</u>	FY21 <u>% Rec'd</u>
Revenues							
Town Funding - Local Taxes	80,000	80,000	80,000	0	100.0%	100.0%	100.0%
Use of Fund Balance	14,000	14,000	14,000	0	100.0%	100.0%	100.0%
State Subsidy - Adult Ed	36,225	36,225	36,149	(76)	99.8%	132.5%	97.5%
Grant Funds	9,000	9,000	5,700	(3,300)	63.3%	60.5%	166.0%
Adult Ed Tuition	45,145	45,145	19,185	(25,960)	42.5%	39.6%	24.7%
Revenue totals	184,370	184,370	155,034	(29,336)	84.1%	91.0%	78.6%

Adult Education YTD fund balance

46,222

School Nutrition Program:

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY23 <u>% Used</u>	FY22 <u>% Used</u>	FY21 <u>% Used</u>
Expenditures							
Wages & Benefits	1,293,689	1,293,689	824,836	468,853	63.8%	69.2%	66.8%
Food & Beverages	639,072	639,072	582,023	57,049	91.1%	96.6%	34.5%
Contracted Services (software & repairs)	26,500	26,500	24,930	1,570	94.1%	75.0%	94.4%
Supplies & Equipment	79,739	79,739	66,039	13,700	82.8%	133.6%	37.5%
Operations	2,000	2,000	1,971	29	98.6%	89.2%	69.6%
Expenditure totals	2,041,000	2,041,000	1,499,798	541,202	73.5%	80.3%	55.9%
	Budgeted <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY23 <u>% Rec'd</u>	FY22 <u>% Rec'd</u>	FY21 <u>% Rec'd</u>
Revenues							
Food Sales	200,000	200,000	251,746	51,746	125.9%	11.4%	0.8%
Federal Funding (USDA)	1,799,000	1,799,000	290,020	(1,508,980)	16.1%	402.8%	0.0%
State Funding (DOE)	36,000	36,000	645,470	609,470	1793.0%	195.7%	58.5%
Grants & Donations	6,000	6,000	1,937	(4,063)	32.3%	27.3%	#####
Revenue totals	2,041,000	2,041,000	1,189,173	(851,827)	58.3%	82.0%	36.4%

School Nutrition YTD fund balance

(310,626)

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Federal Restricted Funds:	<u>Beg. Balance</u>	<u>FY23 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 II	0	90,658	90,658	90,658	0
ARP ESSER III	0	606,317	146,887	387,442	218,875
ARP Local Entitlement	0	99,059	0	33,910	65,149
Title IA	0	159,438	41,704	70,108	89,330
Title IIA	0	152,291	55,056	105,018	47,273
Pre-K Local Entitlement	0	13,001	0	13,001	0
Local Entitlement	0	925,642	110,497	473,333	452,308
Total Federal Restricted	0	2,046,406	444,802	1,173,470	872,936

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

Grants, Trusts & Special Revenues:	<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	23,851	17,227	15,397	25,681
Local grants & donations	31,938	7,923	4,913	34,948
CC Admin Recertification (fiscal agent)	1,334	9,890	4,238	6,986
Tech Maintenance Fees	4,492	17,244	0	21,736
School Nutrition Special Programs	(1,567)	13,890	12,026	297
MLTI State Reimbursement	19,637	181,945	181,941	19,641
PEPG State Grant	588	0	0	588
Proficiency-based Graduation Grant	3,083	0	0	3,083
Total Grants & Trusts	220,099	248,118	218,514	249,703

School CIP project account status

as of 3/31/2023

FACILITIES	Account #	Budget Balance as of 6/30/2022	FY23 Budgeted	FY23 YTD Expenses*	Budget Balance as of 3/31/2023
Long-range Planning	73001798 570000	319,015	0	126,636	192,379
District-wide Energy Improvements	73001803 570000	162	150,000	23,609	120,033
District-wide Plumbing	74001739 570000	33,423	0	10,189	23,234
District-wide Roofing	74001771 570000	414	476,000	219,734	255,680
District-wide Interior Finishes	74001772 570000	33,550	50,000	70,265	13,285
District-wide Security & Access Mgmt	74001787 570000	132,097	60,000	119,861	71,205
District-wide Flooring	74001791 570000	45,185	30,000	31,470	43,715
District-wide Movable Equipment	74001792 573100	105,902	285,000	297,759	87,809
District-wide Building Envelope	74001794 570000	74,804	0	45,134	17,434
District-wide Grounds & Site Mtce	74001805 570000	107,056	150,000	179,585	70,181
Athletics Facilities/Equipment	74001807 570000	32,005	15,000	10,853	34,729
HS Science Labs Retrofit	74001808 570000	113,117	0	79,145	33,972
District-wide HVAC/Mechanical	74176800 573100	201,431	150,000	347,962	1,240
Facilities Support/Equipment	74176900 573100	18,995	29,000	0	45,773
Facilities Support/Vehicles	74176900 573200	714	55,000	46,850	5,105
TOTALS		1,276,616	1,450,000	1,609,051	1,074,520

TOWN/SCHOOL PROJECT

Turf field & track replacement	74001795 570000	1,831,962	0	705,305.02	1,126,657
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TRANSPORTATION

Bus purchase/lease	74001712 573600	19,327	405,783	122,950	297,382
Transportation software	74001786 570000	0	120,000	42,471	77,529
TOTALS		19,327	525,783	165,421	374,912

TECHNOLOGY

Equipment Replacement	74001784 573100	79,305	312,500	244,712	137,914
New Equipment	74001799 573100	(0)	25,000	27,709	(2,709)
TOTALS		79,305	337,500	272,420	135,206

*including encumbrances

GRAND TOTALS		3,207,210	2,313,283	2,752,197.22	2,711,295
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