

Scarborough Public Schools

School Board Presentation



FY23 Year-end Financials

October 5, 2023



FY23 Year-End Financial Report

Two supporting documents are posted with SB agenda for tonight:

FY23 Year-End Financial Statement

Year-End budget transfers

Quarterly financial reports are posted on the Scarborough Public Schools website at www.scarboroughschools.org (see Finance Committee section of Standing Committees page).



General Fund Expenditure Review

General Fund expenditures came in under budget by \$2,175,205

Personnel costs represented 80% of the FY23 budget, and most surplus generated was in these areas of impact:

- \$367,000 - Special Services ed tech wages & benefits
- \$152,000 - Custodian wages & benefits
- \$157,000 - Bus Driver wages & benefits
- \$52,000 - Business Office wages & benefits -
- \$200,000 - Typical turnover savings

Total surplus of \$748,000 attributable to these factors.



General Fund Expenditure Review

General Fund expenditures came in under budget by \$2,175,205

Other savings - Programs & Services:

- \$92,000 - Curriculum - refined subscriptions, deferred updates, used grant funds
- \$75,000 - Instructional Technology - reduction/replacement of subscriptions & internet services
- \$37,000 - Special Services - lower than expected tuition costs
- \$56,000 - Athletics & Activities - reduced offerings and offsite transportation

Total surplus of \$260,000 attributable to these factors.



General Fund Expenditure Review

General Fund expenditures came in under budget by \$2,175,205

Other savings - Operations:

- \$500,000 - Debt Service - unused due to no new bond issue
- \$161,000 - Facilities - energy costs
- \$52,000 - System Administration - reduced expense for unemployment & legal services

Total surplus of \$713,000 attributable to these factors.



General Fund Expenditure Review

- School Board is required by policy DBJ to vote approval of budget transfers for any individual account overspent by \$10,000 or more.
- All overages can be offset by surplus in other budget lines, within the same voter-approved categories.



General Fund Revenue Review

**FY23 revenue showed a small overall shortfall of \$33,093
against budgeted projections**

Significant revenue shortfalls:

- State Agency Client reimbursement (eligible students)
- Facility Rental fees
- Student Activity fees



Statement of General Fund Surplus

Breakdown of General Fund Surplus Balances

As of 6/30/2022 fund balance was :	\$	3,814,022
Used For FY23 Budget	\$	(1,500,000)
Undesignated Fund Balance 7/1/2022	\$	2,314,022
FY23 Appropriations Balance	\$	2,175,205
FY23 Revenue Balance	\$	(33,093)
FY23 Year-end Adjustments	\$	(800,000)
FY23 Year-end Balance	\$	1,342,112
Total Available Fund Balance	\$	3,656,134
Used for FY24 Budget	\$	<u>(1,500,000)</u>
Undesignated Fund Balance 6/30/2023	\$	2,156,134



Other Funds

Along with General Fund data, the Financial Statement includes:

- Adult Education
- School Nutrition
- Federal Restricted Funds
- Grants, Trusts & Special Revenues
- Capital Improvement Projects



Adult Education

- Programs continuing to rebuild - tuition revenues still short
- Health Services courses less popular, MLL programs booming
- Personnel and supply costs held under budget
- Program year-end fund balance is \$47,041, after \$30,000 is applied as revenue to FY24 budget



School Nutrition

- State funding allowed for continuation of free meals for all students (continues in FY24)
- High demand continued to reflect in both breakfast and lunch meal counts
- Expenditures over budget in food and supply costs, but staffing challenges created surplus in personnel costs
- Year end program surplus was generated for the second year in a row, with an ending fund balance of \$543,295



Special Revenue Funds

Federal grant funds for COVID relief winding down, with 3 grants remaining in FY23:

- ESSER II - balance of \$90,658 used for supplemental teaching staff at WS and MS
- ESSER III (ARP ESSER) - \$526,361 used for summer programming, SEL professional development, technology equipment & supplemental staff (see full details on our budget web page)
- ARP Local Entitlement - \$87,319 used for Special Services staff (speech & behavior specialists)

All of these grants will end as of September 30, 2023

Also shown are the regular federal grants for education: Titles I, II and IV and Local Entitlement as well as local and state designated funds.



Capital Improvement Projects

Multi-year projects continued with facilities maintenance and technology upgrades as well as a few special items. Some highlights were:

- 3 new buses per replacement cycle
- New Transportation software
- Replacement of worn out furnishings
- HVAC repairs at Middle School & K-2
- Accessible play area on Wentworth playground
- Turf Field replacement completed

And of course the [building project](#), where design and engineering work began in earnest for the Unified School plan.



Capital Reserve Fund



The School Capital Reserve Fund was established at the end of FY22 using year-end surplus funds to provide revenue for capital projects as determined by the Board through the annual budget process.

- Funded with \$600,000 at the end of FY22 (unexpected GPA revenue)
- Used \$199,000 in FY23 for capital budget revenue (WS kitchen freezer, HS baseball field bleachers, commercial lawn mower, K-2 boiler replacement)
- Used \$405,783 in FY24 for capital budget revenue (buses)
- Leaves only \$4,783 in the account

Business Office & Finance Committee recommend replenishing the fund with \$800,000 of available year-end surplus from FY23 (Board Action Item)



Action Items

FY23 year-end action items for School Board

October 5, 2023

- 1) Request approval of budget transfers for accounts which were overspent by more than \$10,000.

- 2) Request approval of transfer of \$800,000 from General Fund surplus to School Capital Reserve Fund.