

Overview

The first quarter of FY24 continued our gradual return to a post-pandemic degree of financial normalcy. Areas of impact are still evident, including an ongoing instructional focus on learning recovery and social-emotional learning, inflationary pressures, and labor market challenges. As usual at this time of year, we have been busy closing out FY23 with year-end invoicing, adjustments and financial reports required by the town and state. I'm pleased to report that the auditors have already been at work with us for several weeks, and we are on track for the FY23 audit to be completed on time this year.

Expenditures

During the first quarter of the fiscal year, spending patterns vary depending on the function of each expense account. Salary and benefit lines for year-round staff are used at a different rate from those for school-year staff. Expense accounts used for items like instructional supplies, online services, yearlong subscriptions, property insurance coverage and membership fees are spent at a higher rate during the first quarter as we prepare for the start of the school year. In each quarterly financial statement, we include columns showing comparative percentages from the two prior fiscal years, to help us identify and address any notable variances. This approach helps us to recognize and account for the varied spending patterns from quarter to quarter.

This year we have a calendar anomaly in payroll that has affected all of the budget categories in the General Fund: the pay date scheduled for Saturday, July 1 was shifted to Friday, June 30. This means that an entire payroll (just over \$2M including bi-weekly wages, employer benefit share and summer lump sum payroll) was posted to FY23, impacting our accrued wages calculations for year-end, and causing a reduction in expected spending for the first quarter of FY24. This spending reduction will carry through to the end of the school year when we calculate and post the cost of accrued summer payrolls, so will be something we need to bear in mind as we make comparisons with prior year spending throughout FY24.

With that in mind, here are two variances of note, and two areas we are watching:

Improvement of Instruction – the higher level of expenditure in this category is due to the return to a more robust level of professional development hours worked by staff over the summer of 2023, as well as an increase in Summer Academy staffing.

Instructional Technology – higher spending in this category is due to the purchase of K-5 staff laptops at the start of the school year. Personnel expenses will be seen in Quarter 2 and Quarter 4 when funds are transferred to the Town under our shared services agreement.

Transportation – as we have seen in recent years, we have several unfilled driver positions at this time, reducing expenditures for the first quarter. As with FY23, the concern in this category will be fuel cost; although the Town has locked in a favorable price at this point, oil futures remain volatile.

Facilities & Maintenance – As with Transportation, we'll be watching fuel and energy costs in this budget category. Weather will be a factor as, regardless of price, we use more fuel in a cold or stormy winter season. On a brighter note, we are receiving more and more credits as alternative energy projects in the CES Consortium become operational. Another spending shift has been the need to use contracted service providers to get necessary work done while we continue to have unfilled custodian positions.

Revenues

Because 90% of our General Fund revenues come from local tax dollars and use of fund balance, our revenue receipts at the end of the first quarter are very similar to the patterns we have seen in prior years, including pre-pandemic. One small item to note is that the amount collected in Summer Academy Fees did not meet the projected total, due to our decision not to increase parent tuition fees this year in light of the strong ongoing need for supplemental instruction for our students.

Other Funds

Adult Education shows continuing growth over recent years in the first quarter. Enrichment courses offerings are increasing as enrollment and community engagement make a comeback. The popularity of workforce and literacy programs reflects what seems to be a long-term shift toward helping new Mainers integrate into our working communities. Despite the recent drop-off in medical training programs, we have started a new semester of CNA training in collaboration with the Barron Center in Portland. High School diploma programs are underway; a higher than usual expenditure rate in instructional equipment is due to the purchase of new computers for HISET testing.

The **School Nutrition Program** is still serving free breakfasts and lunches to all students under current state statute, with a la carte items available for purchase at the High School and Middle School. Expenses in the first quarter are running a little lower than the past two years. In Wages & Benefits we continue to experience turnover and open positions, although we have had some success in recruiting new staff over the past few weeks. Spending in Food & Beverages is a bit lower as we have been able to accommodate more food supply backstock with our new freezer at Wentworth. As we saw in FY23, revenues in Quarter 1 lag behind expenses, however state reimbursements are in process now and funding is expected to continue to comfortably cover program costs this year.

In **Federal Restricted Funds**, the last remaining COVID-related grant funds, which were required to be used by September 30, 2023, have been expended and the balance invoiced to the state; we are waiting for reimbursement to be remitted to us. The report also shows the available FY24 balance of our usual Title and IDEA grants. Quarter 1 expenses are invoiced and awaiting reimbursement for these grants as well. Under **Grants, Trusts & Special Revenues** we see a similar pattern to last year in School Nutrition Special Programs, where an FY23 year-end deficit was made up with grant funds received in July 2023.

Capital Projects

The CIP report for Quarter 1 reflects Facilities spending for regular maintenance over the summer months, with HVAC, roofing, flooring and school furnishings showing the most significant investment. Planned maintenance in other budgeted areas will continue over school breaks to cause the least possible disruption for students and staff. As usual, tech equipment was purchased over the summer to allow for deployment at the start of the school year, with the bulk of the spending going toward replacement of outdated Middle School classroom projectors, and 6th Grade chromebooks (7th and 8th Grade devices were purchased with MLTI funds in spring of 2023).

In Summary

At the time of this first quarter report, we are optimistic that our current financial status and budgeted resources will meet the needs and challenges of the coming school year. As school leaders strive to create a positive learning environment for all students, we reaffirm our commitment to ensuring that our financial decisions put students' needs first, while working to serve the best interests of our community as a whole.

**Scarborough Public Schools
2023-24 Financial Report
As of September 30, 2023**

DRAFT FOR SBFC REVIEW 10/30/2023

General Fund Expenditures: (including encumbrances)	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Year-to-date Expended</u>	<u>Budget Balance</u>	<u>FY24 % Used</u>	<u>FY23 % Used</u>	<u>FY22 % Used</u>
Regular Instruction:							
Regular Instruction Programs	25,131,246	25,131,246	5,145,884	19,985,362	20.5%	25.5%	25.1%
English as a Second Language (ESL)	616,725	616,725	108,392	508,333	17.6%	25.8%	25.1%
Gifted and Talented Programs	406,565	406,565	89,769	316,796	22.1%	25.5%	25.9%
Special Education Instruction	12,095,474	12,095,474	2,168,988	9,926,486	17.9%	21.2%	20.9%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	246,539	246,539	7,179	239,360	2.9%	4.1%	1.3%
Extra-Curricular	1,427,112	1,427,112	236,425	1,190,687	16.6%	19.3%	11.2%
Student & Staff Support:							
Guidance Services	1,842,470	1,842,470	393,740	1,448,730	21.4%	24.3%	25.0%
Health Services	869,649	869,649	175,305	694,344	20.2%	24.5%	26.8%
Improvement of Instruction	958,547	958,547	395,468	563,079	41.3%	37.0%	33.0%
Instructional Technology	1,529,892	1,529,892	407,522	1,122,370	26.6%	20.5%	10.3%
Library Services	822,677	822,677	162,283	660,394	19.7%	21.9%	22.2%
System Administration	1,506,410	1,506,410	390,886	1,115,524	25.9%	27.8%	27.0%
School Administration	1,977,203	1,977,203	399,521	1,577,682	20.2%	23.8%	24.8%
Transportation	2,067,292	2,067,292	338,847	1,728,445	16.4%	17.1%	14.1%
Facilities & Maintenance	5,005,760	5,005,760	1,137,095	3,868,665	22.7%	26.0%	25.4%
Debt Service	5,548,580	5,548,580	0	5,548,580	0.0%	0.0%	0.0%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	62,052,141	62,052,141	11,557,303	50,494,838	18.6%		
FY23 Year-to-date	58,801,486	58,801,486	12,769,684	46,031,802		21.7%	
FY22 Year-to-date	55,683,015	55,683,015	11,655,633	44,027,382			20.9%

General Fund Revenues:	<u>Estimated Revenue</u>	<u>Revised Estimate</u>	<u>Year-to-date Received</u>	<u>Balance/ (Shortfall)</u>	<u>FY24 % Rec'd</u>	<u>FY23 % Rec'd</u>	<u>FY22 % Rec'd</u>
Town Funding - Local Taxes	54,259,303	54,259,303	54,259,303	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	5,941,838	5,941,838	1,480,367	(4,461,471)	24.9%	24.9%	27.7%
State Agency Client Funding	40,000	40,000	0	(40,000)	0.0%	0.0%	0.0%
Comm. Services Daycare (rent space)	35,000	35,000	0	(35,000)	0.0%	0.0%	0.0%
Community Services Transportation	25,000	25,000	0	(25,000)	0.0%	0.0%	0.0%
Winslow Homer/Facility Rental Fees	25,000	25,000	0	(25,000)	0.0%	0.0%	0.0%
Student Sports/Activity Fees	160,000	160,000	50,724	(109,276)	31.7%	19.9%	22.9%
Summer Academy Fees	6,000	6,000	3,600	(2,400)	100.0%	100.0%	0.0%
Other Miscellaneous Revenue	60,000	60,000	0	(60,000)	0.0%	1.5%	9.3%
Total Revenue	62,052,141	62,052,141	57,293,994	(4,758,147)	92.3%	93.1%	93.8%

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OTHER FUNDS

Adult Education:

	Approved	Revised	Year-to-date	Budget	FY24	FY23	FY22
Expenditures	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & benefits (instructors & program admin)	152,889	152,889	27,991	124,898	18.3%	16.5%	19.3%
General supplies & operations	13,160	13,160	6,234	6,926	47.4%	56.1%	41.5%
Instructional supplies, software & equipment	17,100	17,100	6,225	10,875	36.4%	6.7%	11.2%
Expenditure totals	183,149	183,149	40,449	142,700	22.1%	17.9%	20.1%
Revenues	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>Balance/ (Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Town Funding - Local Taxes	62,411	62,411	62,411	0	100.0%	100.0%	100.0%
Use of Fund Balance	30,000	30,000	30,000	0	100.0%	0.0%	100.0%
State Subsidy - Adult Ed	38,888	38,888	0	(38,888)	0.0%	0.0%	0.0%
Grant Funds	21,850	21,850	1,250	(20,600)	5.7%	0.0%	0.0%
Adult Ed Tuition	30,000	30,000	3,102	(26,899)	10.3%	3.5%	2.1%
Revenue totals	183,149	183,149	96,763	(86,387)	52.8%	44.2%	53.7%

Adult Education YTD fund balance 56,313

School Nutrition Program:

	Approved	Revised	Year-to-date	Budget	FY24	FY23	FY22
Expenditures	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & Benefits	1,331,435	1,331,435	175,176	1,156,259	13.2%	14.4%	15.6%
Food & Beverages	860,600	860,600	71,109	789,491	8.3%	15.8%	18.7%
Contracted Services (software & repairs)	29,000	29,000	21,219	7,781	73.2%	56.7%	83.1%
Supplies & Equipment	89,400	89,400	21,190	68,210	23.7%	14.0%	41.7%
Operations	3,300	3,300	887	2,413	26.9%	47.5%	52.8%
Expenditure totals	2,313,735	2,313,735	289,582	2,024,153	12.5%	15.4%	18.5%
Revenues	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>Balance/ (Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Food Sales	298,000	298,000	47,419	(250,581)	15.9%	19.8%	2.0%
Federal Funding (USDA)	624,000	624,000	3,937	(620,063)	0.6%	0.2%	42.7%
State Funding (DOE)	1,385,735	1,385,735	4,454	(1,381,281)	0.3%	0.0%	0.0%
Grants & Donations	6,000	6,000	0	(6,000)	0.0%	0.0%	0.0%
Revenue totals	2,313,735	2,313,735	55,809	(2,257,926)	2.4%	2.1%	18.9%

School Nutrition YTD fund balance (233,773)

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Federal Restricted Funds:	<u>Beg. Balance</u>	<u>FY24 Grant Funds Available</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>Available Funds*</u>
ARP ESSER III	55,696	0	0	55,696	0
ARP Local Entitlement	11,740	0	0	11,740	0
Title IA	64,898	120,094	0	23,664	161,328
Title IIA	16,904	96,204	0	20,330	92,778
Pre-K Local Entitlement	0	13,169	0	4,295	8,874
Local Entitlement	262,732	763,876	0	219,386	807,222
Total Federal Restricted	411,969	993,343	0	335,110	1,070,202

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

Grants, Trusts & Special Revenues:	<u>Beg. Balance</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>End. Balance</u>
Louis & Tina Fineberg Trust	136,743	0	0	136,743
Scarborough Education Foundation	22,541	0	1,175	21,365
Local grants & donations	34,498	0	0	34,498
CC Admin Recertification (fiscal agent)	2,448	0	0	2,448
Tech Maintenance Fees	32,047	16,382	0	48,429
School Nutrition Special Programs	(3,394)	10,800	2,209	5,197
MLTI State Reimbursement	19,641	0	0	19,641
PEPG State Grant	588	0	0	588
Proficiency-based Graduation Grant	3,083	0	0	3,083
Total Grants & Trusts	248,194	27,182	3,384	271,992

School CIP project account status

as of 9/30/2023

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FACILITIES	Account #	Budget Balance as of 6/30/2023	FY24 Budgeted	FY24 YTD Expenses*	TC Budget Adj 8/16/23	Budget Balance as of 9/30/2023
Long-range Planning	73001798 570000	94,869	0	23,962		70,907
District-wide Energy Improvements	73001803 570000	84,903	150,000	33,256		201,647
District-wide Plumbing	74001739 570000	16,276	0	0		16,276
District-wide Roofing	74001771 570000	458,742	500,000	530,499	(4,000)	424,243
District-wide Interior Finishes	74001772 570000	13,285	50,000	41,682		21,603
District-wide Security & Access Mgmt	74001787 570000	34,247	50,000	65,314	(6,215)	12,718
District-wide Flooring	74001791 570000	43,715	150,000	132,370		61,345
District-wide Movable Equipment	74001792 573100	105,960	150,000	136,706	14,335	133,589
HS Auditorium	74001793 570000	(0)	45,000	40,974		4,024
District-wide Building Envelope	74001794 570000	17,434	65,000	0		82,434
District-wide Grounds & Site Mtce	74001805 570000	64,251	150,000	77,366	(1,000)	135,885
Athletics Facilities/Equipment	74001807 570000	15,294	110,500	0		125,794
District-wide HVAC/Mechanical	74176800 573100	106,798	427,700	457,902	(134)	76,462
Facilities Support/Equipment	74176900 573100	44,666	82,600	97,327		29,939
Facilities Support/Vehicles	74176900 573200	5,105	0	0		5,105
TOTALS		1,198,261	1,930,800	1,637,357		1,401,972
TOWN/SCHOOL PROJECT						
Turf field & track replacement	74001795 570000	1,120,097	0	0		1,120,097
Unified Primary School 2027	73007800 545000	0	137,500,000	0		137,500,000
TOTALS		1,120,097	137,500,000	0		138,620,097
TRANSPORTATION						
Bus purchase/lease	74001712 573600	12,382	405,783	0		418,165
Transportation software	74001786 570000	20,968	0	5,070		15,898
TOTALS		33,351	405,783	5,070		434,064
TECHNOLOGY						
Equipment Replacement	74001784 573100	171,227	620,000	326,514	(2,835)	461,878
New Equipment	74001799 573100	(2,709)	0	0		(2,709)
TOTALS		168,519	620,000	326,514		459,170
*including encumbrances						
GRAND TOTALS		2,520,227	140,456,583	1,968,941		3,415,303