

NOTES & COMMENTS

FY23 QUARTER 1 -- FINANCIALS AS OF 9/30/2022

Overview

As we reflect on the first quarter of FY23, we are pleased to recognize many positive signs of a return to normalcy for our students and staff. As usual at this time of year, we have been busy finishing up FY22 with the year-end invoicing, adjustments and financial reports required by the town and state. While budget and expenses in the new fiscal year are in many ways similar to pre-pandemic conditions, we do expect to see a continued focus in FY23 on social-emotional and learning recovery, and will be keeping an eye on impacts of the global economy in our planning.

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.

As usual in these quarterly financial statements, we have included 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. 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:

Co-Curricular & Extra-Curricular – a continued increase in spending over FY21 and FY22 in this category reflects the welcome return to a full array of student activities at the start of the current school year.

Instructional Technology – growth in spending in this category is due to a larger percentage of software and system licenses being termed for payment 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 seems to be our normal experience now, we have several unfilled driver positions at this time and personnel costs are holding steady. The concern in this category will be fuel costs – the amount expended for gas and diesel in September 2022 is more than double what we spent in September 2021.

Facilities & Maintenance – while the variance from prior years in this category is not currently significant, it is an area we will also be watching carefully as we head into the darker, colder season, due to the current volatility of energy prices.

Revenues

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. A new revenue category in this year's report is Summer Academy Fees – most of the costs of our 2022 summer programs were paid with federal grant funds (ARP ESSER 3), but a small tuition amount was paid by parents for their children's participation. This tuition will be part of our plan to keep summer programming available after grant funds are exhausted.

Other Funds

Adult Education programming continues to rebound, with many enrichment courses added and restored already this fall. Multiple workforce and literacy programs are on track to help some of our most vulnerable community members reach their goals.

The **School Nutrition Program** has begun the school year where they left off in June, serving extremely high meal counts for both breakfast and lunch across the district. Under the current state and federal reimbursement model, school meals continue to be free to all students, with a la carte items available for purchase at the High School and Middle School. Revenues on this report lag behind last year due to the fact that we did not request any local tax funding for FY23; state reimbursements are in process now and should more than cover our costs as they did in FY22.

In **Federal grant funds** we will finish the available COVID-related grants this school year, and have access to our usual Title and IDEA grants as well. New items under **Grants, Trusts & Special Revenues** are the return of both tech maintenance fees and funding from the state MLTI program for Middle School devices.

Capital Projects

In the CIP expense report for Quarter 1 we see a return to significant spending in regular repair and replacement costs for facilities over the summer months, particularly in HVAC and classroom furnishings. Planned maintenance in other budgeted areas will continue over school breaks to cause the least possible disruption for students and staff. In an unusual expenditure pattern, one of the three buses we ordered has been paid for and will be in service shortly; the other two buses are still in production.

In Summary

At the time of this first quarter report, we are confident that we have a stable financial foundation in place and sufficient resources to serve the needs of our students. While we anticipate ongoing economic volatility, as well as a need for investment in supplemental student supports, we believe that our school community is well placed to face these challenges.

**Scarborough Public Schools
2022-23 Financial Report
As of September 30, 2022**

	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY23 % Used	FY22 % Used	FY21 % Used
General Fund Expenditures: (including encumbrances)							
Regular Instruction:							
Regular Instruction Programs	23,955,747	23,955,747	6,112,735	17,843,012	25.5%	25.1%	24.8%
English as a Second Language (ESL)	413,220	413,220	106,715	306,505	25.8%	25.1%	26.1%
Gifted and Talented Programs	386,784	386,784	98,563	288,221	25.5%	25.9%	25.4%
Special Education Instruction	11,064,123	11,064,123	2,341,632	8,722,491	21.2%	20.9%	20.5%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	211,446	211,446	8,744	202,702	4.1%	1.3%	0.6%
Extra-Curricular	1,334,419	1,334,419	257,249	1,077,170	19.3%	11.2%	9.7%
Student & Staff Support:							
Guidance Services	1,757,825	1,757,825	426,655	1,331,170	24.3%	25.0%	25.2%
Health Services	892,024	892,024	218,709	673,316	24.5%	26.8%	20.5%
Improvement of Instruction	902,090	902,090	334,216	567,874	37.0%	33.0%	42.7%
Instructional Technology	1,488,865	1,488,865	305,662	1,183,203	20.5%	10.3%	9.1%
Library Services	815,533	815,533	178,670	636,863	21.9%	22.2%	20.9%
System Administration	1,451,500	1,451,500	403,329	1,048,171	27.8%	27.0%	26.5%
School Administration	1,920,485	1,920,485	456,843	1,463,642	23.8%	24.8%	22.9%
Transportation	1,893,021	1,893,021	322,906	1,570,115	17.1%	14.1%	11.8%
Facilities & Maintenance	4,601,844	4,601,844	1,197,056	3,404,788	26.0%	25.4%	24.1%
Debt Service	5,712,560	5,712,560	0	5,712,560	0.0%	0.0%	0.0%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	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%	
FY21 Year-to-date	53,311,243	53,311,243	10,941,646	42,369,597			20.5%

	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY23 % Rec'd	FY22 % Rec'd	FY21 % Rec'd
General Fund Revenues:							
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	1,246,198	(3,757,330)	24.9%	27.7%	25.4%
State Agency Client Funding	60,000	60,000	0	(60,000)	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	23,000	23,000	0	(23,000)	0.0%	0.0%	0.8%
Student Sports/Activity Fees	145,000	145,000	28,822	(116,178)	19.9%	22.9%	16.0%
Summer Academy Fees	0	0	5,075	5,075	100.0%	0.0%	0.0%
Other Miscellaneous Revenue	60,000	60,000	911	(59,089)	1.5%	9.3%	70.3%
Total Revenue	58,801,486	58,801,486	54,730,964	(4,070,522)	93.1%	93.1%	93.8%

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OTHER FUNDS

Adult Education:

	Approved	Revised	Year-to-date	Budget	FY23	FY22	FY21
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)	154,310	154,310	25,451	128,859	16.5%	19.3%	11.1%
General supplies & operations	11,360	11,360	6,369	4,991	56.1%	41.5%	36.7%
Instructional supplies, software & equipment	18,700	18,700	1,260	17,440	6.7%	11.2%	22.0%
Expenditure totals	184,370	184,370	33,080	151,290	17.9%	20.1%	13.3%
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	80,000	80,000	80,000	0	100.0%	100.0%	100.0%
Use of Fund Balance	14,000	14,000	0	(14,000)	0.0%	100.0%	100.0%
State Subsidy - Adult Ed	36,225	36,225	0	(36,225)	0.0%	0.0%	0.0%
Grant Funds	9,000	9,000	0	(9,000)	0.0%	0.0%	0.0%
Adult Ed Tuition	45,145	45,145	1,558	(43,587)	3.5%	2.1%	4.5%
Revenue totals	184,370	184,370	81,558	(102,812)	44.2%	53.7%	49.6%

Adult Education YTD fund balance 48,478

School Nutrition Program:

	Approved	Revised	Year-to-date	Budget	FY23	FY22	FY21
Expenditures	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & Benefits	1,293,689	1,293,689	185,872	1,107,817	14.4%	15.6%	12.6%
Food & Beverages	639,072	639,072	100,748	538,324	15.8%	18.7%	6.7%
Contracted Services (software & repairs)	26,500	26,500	15,036	11,464	56.7%	83.1%	64.1%
Supplies & Equipment	79,739	79,739	11,197	68,542	14.0%	41.7%	11.9%
Operations	2,000	2,000	951	1,049	47.5%	52.8%	48.4%
Expenditure totals	2,041,000	2,041,000	313,804	1,727,196	15.4%	18.5%	11.3%
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	200,000	200,000	39,607	(160,393)	19.8%	2.0%	0.1%
Federal Funding (USDA)	1,799,000	1,799,000	2,882	(1,796,118)	0.2%	42.7%	0.0%
State Funding (DOE)	36,000	36,000	0	(36,000)	0.0%	0.0%	0.0%
Grants & Donations	6,000	6,000	0	(6,000)	0.0%	0.0%	0.0%
Revenue totals	2,041,000	2,041,000	42,489	(1,998,511)	2.1%	18.9%	12.2%

School Nutrition YTD fund balance (271,315)

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<u>Federal Restricted Funds:</u>	<u>Beg. Balance</u>	<u>FY23 Grant Funds Available</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>Available Funds*</u>
ESSER II	0	90,658	0	90,658	0
ARP ESSER III	0	606,317	23,513	151,746	454,571
ARP Local Entitlement	0	99,059	0	8,788	90,271
Title IA	0	159,438	0	28,805	130,633
Title IIA	0	152,291	0	36,249	116,043
Pre-K Local Entitlement	0	13,001	0	0	13,001
Local Entitlement	0	925,642	0	176,716	748,925
Total Federal Restricted	0	2,046,406	23,513	492,961	1,553,445

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

<u>Grants, Trusts & Special Revenues:</u>	<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	23,851	0	3,249	20,602
Local grants & donations	31,938	760	0	32,698
CC Admin Recertification (fiscal agent)	1,334	0	0	1,334
Tech Maintenance Fees	4,492	16,185	0	20,677
School Nutrition Special Programs	(1,567)	10,400	3,967	4,866
MLTI State Reimbursement	19,637	123,847	151,571	(8,087)
PEPG State Grant	588	0	0	588
Proficiency-based Graduation Grant	3,083	0	0	3,083
Total Grants & Trusts	220,099	151,192	158,787	212,504

School CIP project account status

as of 9/30/2022

FACILITIES	Account #	Budget Balance as of 6/30/2022	FY23 Budgeted	FY23 YTD Expenses*	Budget Balance as of 9/30/2022
Long-range Planning	73001798 570000	319,015	0	20,639	298,375
District-wide Energy Improvements	73001803 570000	162	150,000	0	150,162
District-wide Plumbing	74001739 570000	33,423	0	0	33,423
District-wide Roofing	74001771 570000	414	476,000	0	476,414
District-wide Interior Finishes	74001772 570000	33,550	50,000	28,053	55,497
District-wide Security & Access Mgmt	74001787 570000	132,097	60,000	70,764	121,333
District-wide Flooring	74001791 570000	45,185	30,000	31,470	43,715
District-wide Movable Equipment	74001792 573100	105,902	285,000	235,037	155,865
District-wide Building Envelope	74001794 570000	74,804	0	45,134	29,670
District-wide Grounds & Site Mtce	74001805 570000	107,056	150,000	129,279	127,777
Athletics Facilities/Equipment	74001807 570000	32,005	15,000	0	47,005
HS Science Labs Retrofit	74001808 570000	113,117	0	64,156	48,961
District-wide HVAC/Mechanical	74176800 573100	201,431	150,000	309,377	42,054
Facilities Support/Equipment	74176900 573100	18,995	29,000	0	47,995
Facilities Support/Vehicles	74176900 573200	714	55,000	0	55,714
TOTALS		1,276,616	1,450,000	933,910	1,792,706
TOWN/SCHOOL PROJECT					
Turf field & track replacement	74001795 570000	1,831,962	0	690,274	1,141,688
TRANSPORTATION					
Bus purchase/lease	74001712 573600	19,327	405,783	122,950	302,160
Transportation software	74001786 570000	0	120,000	0	120,000
TOTALS		19,327	525,783	122,950	422,160
TECHNOLOGY					
Equipment Replacement	74001784 573100	79,305	312,500	182,299	209,506
New Equipment	74001799 573100	(0)	25,000	13,499	11,501
TOTALS		79,305	337,500	195,797	221,008

*including encumbrances

GRAND TOTALS		3,207,210	2,313,283	1,942,931	3,577,562
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