

NOTES & COMMENTS

FY25 QUARTER 1 -- FINANCIALS AS OF 9/30/2024

Overview

The first quarter of FY25 has gone by quickly, with lots of activity during the summer months leading into a successful start to the new school year. In the wider economy, inflationary pressures have modified in some areas while the labor market has remained challenging. As usual at this time of year, we have been busy closing out FY24 with year-end invoicing, adjustments and financial reports required by the town and state. The auditors started work with the Town early, and we are hoping to have the FY24 audit completed well before the end of the calendar 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.

In the first quarter of FY24 (last fiscal year), we had a calendar anomaly in payroll that 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 meant that an entire payroll (just over \$2M including bi-weekly wages, employer benefit share and summer lump sum payroll) was posted to FY23, causing a reduction in expected spending for the first quarter of FY24. In FY25, we have returned to the usual payroll schedule, with budget to expenditure percentages trending closer to the expected 25%.

Turnover and open positions are an ongoing challenge which is reflected in reduced first quarter spending in several of the budget categories. As we have seen in recent years, Special Education started the school year with many open ed tech positions, although we are hopeful that the more competitive wages in the new support staff collective bargaining agreement will begin to have an effect on hiring. There were also multiple open positions for bus drivers, custodians and food service personnel, and we have continued to use contracted service providers to ensure that critical work can be completed.

Here are a few variances of note:

Instructional Technology – higher spending in this category is due to increases in both cost and volume of operations software, with licenses and renewals timed for 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 – unfilled driver positions continued to hold costs down for the start of the school year. Although fuel prices are still uncertain, we have seen some welcome stability from the end of last school year into Quarter 1.

Facilities & Maintenance – fuel and energy costs are looking positive in Quarter 1 for facilities as well. Unfilled custodian positions have slowed spending, however we are using contracted service providers to get necessary work done.

Revenues

Because most of our FY25 General Fund revenues come from local tax dollars and use of fund balance, our revenue receipts at the end of the first quarter are similar year over year, with the bulk of budgeted funds already posted and in place during Quarter 1. As we saw last year, the amount collected in Summer Academy Fees did not meet the projected total, this year because we were able to access new grant funds to support the cost of the High School's credit recovery program and therefore did not charge student fees.

Other Funds

Adult Education shows continued gradual first quarter growth over recent years. As reported during the budget process, workforce and literacy programs have been expanded to help new Mainers integrate into our working communities, while enrichment courses are drawing citizens with multiple interests and tuition revenues are on the rise. Although COVID-related federal funding has ended, regional Adult Ed programs benefit from various other federal, state and local grants.

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. During the summer months, meals were provided to students attending summer programs, and delivered (in our beautiful new electric van!) to central community locations for the benefit of all school age children. Typically, revenues in Quarter 1 lag behind expenses, because state reimbursement claims are processed after each month ends. The reimbursement for September (\$223K) has just been received, however, and funding is expected to continue to comfortably cover program costs this year.

In **Federal Restricted Funds**, while we have seen the last of the large scale COVID-related grants, there were a few small subgrants issued by Maine DOE in the spring of 2024. These grants had a very short expenditure timeline with funds available only through September 30, 2024, however we have been able to put them to good use over the past few months. The report also shows the available FY25 balance of our usual Title and IDEA grants, along with a new allocation from Title III, providing much-needed targeted funds for English Language Learners. A new grant allocation is also presented under **Grants, Trusts & Special Revenues**, where a two-year state initiative is supporting our new Pre-K partnership with the Shooting Stars Preschool Program.

Capital Projects

The CIP report for Quarter 1 reflects Facilities spending for regular maintenance over the summer months, with HVAC and school furnishings showing the most significant investment. Long-deferred exterior repairs at the K-2 schools began with shingle restoration and exterior painting at Pleasant Hill, as we await the next phase of a building project solution; dead trees have been replaced throughout the High School parking lot (Grounds & Site Maintenance); and a replacement generator has been ordered for the Middle School (Security & Access Management). Planned maintenance in other budgeted areas will continue over school breaks to cause the least possible disruption for students and staff. In recent years we have had long wait times for new school buses to come off the assembly line, however this year we have already paid for and received our three buses, a pleasant return to pre-pandemic timelines.

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
2024-25 Financial Report
As of September 30, 2024

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY25 <u>% Used</u>	FY24 <u>% Used</u>	FY23 <u>% Used</u>
<u>General Fund Expenditures:</u> (including encumbrances)							
Regular Instruction:							
Regular Instruction Programs	26,591,031	26,591,031	6,904,388	19,686,643	26.0%	20.5%	25.5%
English as a Second Language (MLL)	641,397	641,397	150,867	490,530	23.5%	17.6%	25.8%
Gifted and Talented Programs	418,717	418,717	111,017	307,700	26.5%	22.1%	25.5%
Special Education Instruction	13,527,143	13,527,143	2,862,183	10,664,960	21.2%	17.9%	21.2%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	294,108	294,108	11,166	282,942	3.8%	2.9%	4.1%
Extra-Curricular	1,483,049	1,483,049	315,357	1,167,692	21.3%	16.6%	19.3%
Student & Staff Support:							
Guidance Services	2,010,296	2,010,296	504,967	1,505,329	25.1%	21.4%	24.3%
Health Services	934,130	934,130	228,526	705,604	24.5%	20.2%	24.5%
Improvement of Instruction	1,019,971	1,019,971	368,841	651,130	36.2%	41.3%	37.0%
Instructional Technology	1,684,285	1,684,285	553,890	1,130,395	32.9%	26.6%	20.5%
Library Services	975,814	975,814	209,290	766,524	21.4%	19.7%	21.9%
System Administration	1,532,309	1,532,309	432,771	1,099,538	28.2%	25.9%	27.8%
School Administration	2,044,429	2,044,429	470,654	1,573,775	23.0%	20.2%	23.8%
Transportation	2,181,439	2,181,439	336,833	1,844,606	15.4%	16.4%	17.1%
Facilities & Maintenance	5,296,481	5,296,481	1,211,020	4,085,461	22.9%	22.7%	26.0%
Debt Service	5,193,479	5,193,479	0	5,193,479	0.0%	0.0%	0.0%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	65,828,078	65,828,078	14,671,768	51,156,310	22.3%		
FY24 Year-to-date	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%

	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY25 <u>% Rec'd</u>	FY24 <u>% Rec'd</u>	FY23 <u>% Rec'd</u>
<u>General Fund Revenues:</u>							
Town Funding - Local Taxes	56,057,382	56,057,382	56,057,382	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	7,879,696	7,879,696	1,966,656	(5,913,040)	25.0%	24.9%	24.9%
State Agency Client Funding	75,000	75,000	0	(75,000)	0.0%	0.0%	0.0%
Comm. Services Daycare (rent space)	37,000	37,000	0	(37,000)	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	145,000	145,000	50,884	(94,117)	35.1%	31.7%	19.9%
Summer Academy Fees	6,000	6,000	2,750	(3,250)	45.8%	100.0%	100.0%
Renewable Energy Credits	12,000	12,000	0	(12,000)	0.0%	0.0%	0.0%
Other Miscellaneous Revenue	66,000	66,000	18	(65,982)	0.0%	0.0%	1.5%
Total Revenue	65,828,078	65,828,078	59,577,689	(6,250,389)	90.5%	92.3%	93.1%

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OTHER FUNDS

Adult Education:

	Approved	Revised	Year-to-date	Budget	FY25	FY24	FY23
	<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)	184,119	184,119	41,072	143,047	22.3%	18.3%	16.5%
General supplies & operations	15,910	15,910	6,752	9,158	42.4%	47.4%	56.1%
Instructional supplies, software & equipment	14,100	14,100	1,234	12,866	8.8%	36.4%	6.7%
Expenditure totals	214,129	214,129	49,058	165,071	22.9%	22.1%	17.9%
	Estimated	Revised	Year-to-date	Balance/	FY25	FY24	FY23
	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>(Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Town Funding - Local Taxes	73,560	73,560	73,560	0	100.0%	100.0%	100.0%
Use of Fund Balance	35,000	35,000	35,000	0	100.0%	100.0%	0.0%
State Subsidy - Adult Ed	49,569	49,569	0	(49,569)	0.0%	0.0%	0.0%
Grant Funds	16,000	16,000	3,706	(12,294)	23.2%	5.7%	0.0%
Adult Ed Tuition	40,000	40,000	6,390	(33,610)	16.0%	10.3%	3.5%
Revenue totals	214,129	214,129	118,657	(95,472)	55.4%	52.8%	44.2%

Adult Education YTD fund balance	69,599
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School Nutrition Program:

	Approved	Revised	Year-to-date	Budget	FY25	FY24	FY23
	<u>Budget</u>	<u>Budget</u>	<u>Expended</u>	<u>Balance</u>	<u>% Used</u>	<u>% Used</u>	<u>% Used</u>
Wages & Benefits	1,373,206	1,373,206	202,011	1,171,195	14.7%	13.2%	14.4%
Food & Beverages	880,700	880,700	74,566	806,134	8.5%	8.3%	15.8%
Contracted Services (software & repairs)	33,600	33,600	20,239	13,361	60.2%	73.2%	56.7%
Supplies & Equipment	100,800	100,800	10,926	89,874	10.8%	23.7%	14.0%
Operations	3,350	3,350	970	2,380	29.0%	26.9%	47.5%
Expenditure totals	2,391,656	2,391,656	308,711	2,082,945	12.9%	12.5%	15.4%
	Budgeted	Revised	Year-to-date	Balance/	FY25	FY24	FY23
	<u>Revenue</u>	<u>Estimate</u>	<u>Received</u>	<u>(Shortfall)</u>	<u>% Rec'd</u>	<u>% Rec'd</u>	<u>% Rec'd</u>
Food Sales	378,000	378,000	57,826	(320,174)	15.3%	15.9%	19.8%
Federal Funding (USDA)	607,000	607,000	4,791	(602,209)	0.8%	0.6%	0.2%
State Funding (DOE)	1,401,656	1,401,656	3	(1,401,653)	0.0%	0.3%	0.0%
Grants & Donations	5,000	5,000	0	(5,000)	0.0%	0.0%	0.0%
Revenue totals	2,391,656	2,391,656	62,621	(2,329,035)	2.6%	2.4%	2.1%

School Nutrition YTD fund balance	(246,090)
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<u>Federal Restricted Funds:</u>	<u>Beg. Balance</u>	<u>FY25 Grant Funds Available</u>	<u>Year-to-date Revenues</u>	<u>Year-to-date Expenses</u>	<u>Available Funds*</u>
ARP Literacy Grant	28,360	0	0	23,282	5,079
ARP Summer Learning Grant	48,149	0	27,725	40,983	7,167
ARP GEER - MOLI Grant	52,978	0	0	17,308	35,670
Title IA	67,377	104,347	0	33,120	138,604
Title IIA	23,662	82,365	0	6,758	99,270
Title III	0	11,592	0	0	11,592
Pre-K Local Entitlement	0	13,192	0	0	13,192
Local Entitlement	170,016	756,259	43,634	264,099	662,176
Total Federal Restricted	390,542	967,755	71,358	385,549	972,749

*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	28,032		0	2,471	25,561
Local grants & donations	38,860		0	0	38,860
CC Admin Recertification (fiscal agent)	4,552		0	0	4,552
Tech Maintenance Fees	62,877		121	0	62,998
School Nutrition Special Programs	(4,935)		1,650	239	(3,524)
MLTI Tech Hardware	0		0	0	0
Preventing Student Homelessness Grant	1,748		0	0	1,748
PEPG State Grant	588		0	0	588
Preschool Development Grant	0	176,000	0	34,364	141,636
Proficiency-based Graduation Grant	3,083		0	0	3,083
Total Grants & Trusts	271,548		1,771	37,074	412,245

School CIP project account status

as of 9/30/2024

FACILITIES	Account #	Budget Balance as of 6/30/2024	FY25 Budgeted	FY25 YTD Expenses	Budget Balance as of 9/30/2024
Long-range Planning	73001798 570000	0	585,000	0	585,000
District-wide Energy Improvements	73001803 570000	54,589	150,000	15,443	189,146
Kitchen Equipment	74001736 570000	0	31,000	24,089	6,911
District-wide Plumbing	74001739 570000	16,276	0	0	16,276
District-wide Roofing	74001771 570000	416,163	330,000	39,001	707,162
District-wide Exterior & Interior Finishes	74001772 570000	0	200,000	199,325	675
District-wide Interior Construction	74001773 570000	0	35,000	34,340	660
District-wide Security & Access Mgmt	74001787 570000	9,471	570,000	255,162	324,309
District-wide Flooring	74001791 570000	61,345	250,000	97,995	213,350
District-wide Movable Equipment	74001792 573100	85,205	180,500	164,181	101,524
HS Auditorium Equipment	74001793 570000	4,700	418,000	87,705	334,995
District-wide Building Envelope	74001794 570000	51,766	267,600	227,000	92,366
District-wide Grounds & Site Mtce	74001805 570000	127,380	486,000	147,687	465,693
Athletics Facilities/Equipment	74001807 570000	119,464	71,000	9,472	180,992
District-wide HVAC/Mechanical	74176800 573100	110,480	739,000	447,104	402,376
Facilities Support/Equipment	74176900 573100	69,584	110,000	69,704	109,880
Facilities Support/Vehicles	74176900 573200	5,105	0		5,105
TOTALS		1,131,530	4,423,100	1,818,208	3,736,422

TOWN/SCHOOL PROJECTS

Turf field & track replacement	74001795 570000	1,120,097	500,000	0	1,620,097
Unified Primary School 2027	73007800 545000	137,500,000	0	0	137,500,000
TOTALS		138,620,097	500,000	0	139,120,097

TRANSPORTATION

Bus purchase/lease	74001712 573600	0	534,500	490,500	44,000
Transportation software	74001786 570000	68	0	0	68
TOTALS		69	534,500	490,500	44,069

TECHNOLOGY

Equipment Replacement	74001784 573100	61,988	700,875	25,604	737,259
New Equipment	74001799 573100	(2,709)	0	0	(2,709)
TOTALS		59,280	700,875	25,604	734,551

GRAND TOTALS		139,810,975	6,158,475	2,334,312	143,635,139
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