NOTES & COMMENTS
FY25 QUARTER 4 – YEAR-END FINANCIALS AS OF 6/30/2025
FOR SCHOOL BOARD 10/2/2025 – PENDING AUDIT

Overview

This year-end financial report will be included as a supporting document for the Business Office presentation to the School Board at their meeting of October 2, 2025. This report describes the financial impacts of meeting complex student needs in a challenging environment of economic pressures during the 2024-25 fiscal year, and our resulting year end status. As usual, this report is marked "pending audit". Although we do not anticipate any significant changes, we are currently working with the Town auditors to develop the official independent financial report for FY25. This introduction highlights major points of interest; the detailed financial statement begins on page 4.

Expenditures

The 2024-25 fiscal year ended with a surplus in the General Fund similar to the results we have seen in recent years. Expenditures came in under budget by $2,213,037, which represents 3.36% of the FY25 operating budget, virtually identical to our year-end expenditure surplus in FY24.

Here are the areas of FY25 spending that created the most year-end impact:

Personnel costs
While we were pleased to have new collective bargaining agreements ratified for several of our support staff groups, our ability to offer more competitive wage rates is taking time to bear fruit, and the tight labor market continues to pose hiring challenges. Despite our best efforts, we continued to navigate turnover and staffing shortages throughout the fiscal year.

As we noted during budget discussions this year, we have relied on contracted service providers to ensure that critical work is completed, causing a shift in spending from wage and benefit accounts to contracted services accounts in Special Education, Transportation and Facilities. The result of this shift is seen in the spending picture for each of these departments:

- Special Services surplus of $585,000 in wages and benefits, with $185,000 transferred to contracted services; remaining surplus of $400,000.
- Transportation surplus of $275,000 in wages and benefits, with $239,000 transferred to contracted services; remaining surplus of $36,000. $61,000 was also used to purchase two new mini-vans.
- Facilities surplus of $185,000 in wages and benefits, used all for contracted services

Other budget categories showing significant surplus in wage and benefit lines are Library Services, where our inability to find a suitable candidate to fill a new K-2 position left $100,000 unspent; Improvement of Instruction, where a resignation early in the fiscal year resulted in an unfilled position and savings of $87,000; and System Administration, where turnover created a surplus of $78,000.

Other notable areas of savings were found in programs and operations, with a total surplus of $541,000:

Student programs & services
- $43,000 Athletics & Activities – unfilled coaching positions & officials fees
- $180,000 Special Services – lower than anticipated tuition costs; students returning to district
- $157,000 Pre-K Partnership Program – used grant funds; this balance will be reserved for FY26

Operations

- $140,000 Facilities – reduced electricity costs through alternative energy consortium
- $298,000 Debt Service – reduced interest payments on delayed bond issue

These are the major factors affecting the year-end surplus generated, with the remainder coming from smaller incremental balances across all of the other expenditure accounts in the budget. As usual, there are some individual accounts which were overspent by more than $10,000 in FY25. Under School Board policy DBJ, the Board is asked to approve budget transfers to cover these deficits at the end of each fiscal year; this Board action item will take place at their meeting on October 2, 2025. This year every budget category ran at least a small surplus, and all of the overspent accounts can be covered with transfers within the same category. A detailed list of budget transfers has been provided for the Board and posted with the financial statements.

Revenues

Because almost all school revenues come from local tax dollars and state General Purpose Aid (GPA), variances are relatively small. Actual revenues were generally close to budget projections in FY25, with an overall year-end surplus of $153,652. Areas with significant over-budget revenue were:

- Targeted state subsidy for Multi-Lingual Learners, continued from FY24 - $54,573
- State Agency Client reimbursements, at a high level due to an out of state placement - $71,200
- Sale of Renewable Energy Credits, reported separately this year as amounts grow - $31,700

Other Funds

The **Adult Education** program continued a gradual increase in enrichment courses, while maintaining a robust schedule of programs supporting Multi-Lingual Learners, both in developing proficiency in English and in preparing for workforce opportunities. The investment in a part-time coordinator for these programs has proved to be a huge benefit to both administration and students. A small year-end fund balance will help to maintain non-tax revenue levels for FY26. We were pleased to learn that Federal grants will continue for an additional fiscal year, but recognize that this will be a topic of conversation during FY27 budget development.

School Nutrition has continued to benefit from the State's commitment to funding universal free meals for all K-12 students. Meal counts remained at a high level, pointing to the positive impact this program has for our community's children. Wage increases made possible by a new collective bargaining agreement enabled us to be more successful in filling open positions, with personnel spending reaching a higher percentage than in recent years.

As we experienced in FY24, the School Nutrition fund balance at the start of FY25 was deemed too high for USDA requirements. The USDA requires that school nutrition programs must hold no more than three months' average operating cost; our beginning balance in FY25 was about $22,000 over that mark as calculated by the DOE. As in FY24, we used School Nutrition operating funds to purchase items that had been approved in the FY25 capital budget – a stack convection oven for the High School and a batter piping machine for Wentworth. These expenses combined with the rest of fund cash flow to reduce our year-end fund balance to $538,378, $50,000 of which is designated as non-tax revenue for FY26.

The detailed financial statement closes with the year-end status of **federal grant** funds as well as local and state **grants, trusts and special revenues**. FY25 saw the tail end of a number of grants issued by the state DOE in the spring of 2024 that were funded with COVID relief monies. These ARP grants were available for a restricted time period and all project spending in FY25 was matched with grant revenue. Other federal grants were received and expended in a similar pattern to prior years; despite concerns about loss of funding due to

the change in administration at the federal level, these impacts were not yet felt in FY25. One exception to typical grant expenditures is Title IIA, where a larger than usual remaining balance was created by the unexpected resignation of the K-12 SEL Specialist who was partially funded from that grant.

In the state and local grants section, most funds have flowed as expected in FY25. The new Pre-School Development Grant appears for the first time this year, and will continue for the first half of FY26. A year-end deficit in the School Nutrition Special Programs fund (Backpack Program) was erased with the receipt of a $5,000 donation from Full Plates Full Potential in July. The Scarborough Education Foundation fund has accumulated a good-sized fund balance over the course of several years, due to projects that were approved but not completed, or achieved at lower cost. We are working with SEF to spend down that balance prior to accepting new grant revenue.

Capital Projects

This report includes a year-end summary of our capital improvement project (CIP) accounts. Most CIP accounts are multi-year, ongoing areas of investment, allowing for project scheduling to minimize disruption for staff and students. Expenditures in FY25 included the purchase of our usual three replacement buses, and student chromebooks for the High School as well as network switches districtwide.

Major projects in Facilities included replacing the failed generator at the Middle School with a modern, upgraded unit (installation in FY26), installing two modern boilers at Eight Corners, continuing the scheduled replacement of obsolete HVAC controls district-wide, and completing the replacement of failing heat pumps at the Middle School. The second phase of the athletic complex restoration at the High School began in June with the reconstruction of the running track (to be completed in FY26).

Expenditures shown in the Long-Range Planning CIP account represent continued design and planning costs following the failed Unified School project referendum in November of 2023. The tireless work of the School Building Advisory Committee (SBAC) has resulted in a new proposal that will go to voters in November of 2025. For more information, please see the “Building Committee” link on the Scarborough Public Schools website.

In Summary

During the 2024-25 school year we stayed close to our strategic goals and relied on this focus to inform our spending decisions – strengthening an inclusive environment and a sense of belonging among all our students and families; building a strong academic foundation at all phase levels; meeting the individual learning needs of all students; and incorporating social emotional learning through all developmental stages.

As of the end of FY25 we have preserved $2,136,511 in undesignated fund balance pending audit adjustments (see page 5), which is equivalent to 3.25% of the total General Fund operating budget. As usual, we have used prior year surplus as revenue to reduce the burden of increased costs on local taxpayers in FY26, while maintaining a strategic cushion against future economic uncertainty.

We are pleased to present this financial report to our stakeholders, knowing that it reflects our ongoing commitment to provide the best possible programs and services for the children of our community with the resources entrusted to our care.

Scarborough Public Schools
Financial Statement
June 30, 2025

For School Board 10/2/2025
Pending final audit

General Fund Surplus as of 6/30/2025 (audited)		$ 3,625,999
Allocated to 2025-25 budget		$ (1,500,000)
Undesignated Surplus as of 7/1/2024	(audited balance)	**$ 2,125,999**

General Fund Expenditures: (including encumbrances)	Approved Budget	Revised Budget	Year-end Expended	Budget Balance	FY25 % Used	FY24 % Used	FY23 % Used
Regular Instruction:							
Regular Instruction Programs	26,591,031	26,591,031	25,954,750	636,281	97.6%	98.8%	98.6%
English as a Second Language (MLL)	641,397	641,397	606,033	35,364	94.5%	92.1%	99.9%
Gifted and Talented Programs	418,717	418,717	411,613	7,104	98.3%	97.7%	99.7%
Special Education Instruction	13,527,143	13,527,143	12,927,458	599,685	95.6%	94.6%	96.4%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	294,108	289,108	281,471	7,637	97.4%	98.1%	95.8%
Extra-Curricular	1,483,049	1,502,049	1,499,049	3,000	99.8%	93.6%	95.3%
Student & Staff Support:							
Guidance Services	2,010,296	2,010,296	1,977,499	32,797	98.4%	99.6%	99.4%
Health Services	934,130	934,130	913,181	20,949	97.8%	94.8%	99.1%
Improvement of Instruction	1,019,971	1,019,971	889,041	130,930	87.2%	91.5%	91.6%
Instructional Technology	1,684,285	1,684,285	1,677,331	6,954	99.6%	99.0%	94.0%
Library Services	975,814	975,814	861,279	114,535	88.3%	93.7%	92.5%
System Administration	1,532,309	1,532,309	1,411,072	121,237	92.1%	96.8%	91.9%
School Administration	2,044,429	2,044,429	2,042,012	2,417	99.9%	96.7%	99.1%
Transportation	2,181,439	2,167,439	2,104,783	62,656	97.1%	91.6%	93.6%
Facilities & Maintenance	5,296,481	5,296,481	5,163,450	133,031	97.5%	90.5%	92.0%
Debt Service	5,193,479	5,193,479	4,895,018	298,461	94.3%	99.5%	91.2%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	**65,828,078**	**65,828,078**	**63,615,041**	**2,213,037**	96.6%		
FY24 Year End	**62,052,141**	**62,052,141**	**59,965,801**	**2,086,340**		96.6%	
FY23 Year End	**58,801,486**	**58,801,486**	**56,427,579**	**2,373,908**			96.0%

General Fund Revenues:	Estimated Revenue	Revised Estimate	Year-end Received	Balance/ (Shortfall)	FY25 % Rec'd	FY24 % Rec'd	FY23 % Rec'd
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	7,879,696	0	100.0%	100.3%	100.6%
State Subsidy - MLL Hardship Funds	0	0	54,573	54,573	100.0%	100.0%	0.0%
State Agency Client Funding	75,000	75,000	146,204	71,204	194.9%	154.7%	34.2%
Comm. Services Daycare (rent space)	37,000	37,000	33,255	(3,745)	89.9%	94.5%	104.5%
Community Services Transportation	25,000	25,000	24,324	(676)	97.3%	97.4%	85.4%
Winslow Homer/Facility Rental Fees	25,000	25,000	10,301	(14,699)	41.2%	58.2%	51.0%
Student Sports/Activity Fees	145,000	145,000	149,737	4,737	103.3%	82.4%	81.0%
Summer Academy Fees	6,000	6,000	3,100	(2,900)	51.7%	100.0%	100.0%
Renewable Energy Credits	12,000	12,000	43,715	31,715	364.3%	0.0%	0.0%
Other Miscellaneous Revenue	66,000	66,000	79,792	13,792	120.9%	142.7%	121.6%
Total Revenue	**65,828,078**	**65,828,078**	**65,982,080**	**154,002**	100.2%	100.3%	99.9%

Year-end Fund Transfers

Surplus to capital reserve fund - per SBFC recommendation	$ (700,000)
Surplus to Pre-K program reserve fund	$ (156,526)
Audit adjustments	$ -
Total Transfers	**$ (856,526)**

Breakdown of General Fund Surplus Balances

As of 6/30/2024 fund balance was :	$ 3,625,999
Used For FY25 Budget	$ (1,500,000)
Undesignated Fund Balance 7/1/2024	$ 2,125,999
FY25 Appropriations Balance	$ 2,213,037
FY25 Revenue Balance	$ 154,002
FY25 Year-end Adjustments	$ (856,526)
FY25 Year-end Balance	$ 1,510,513
Total Available Fund Balance	$ 3,636,511
Used for FY26 Budget	$ (1,500,000)
Undesignated Fund Balance 6/30/2025	**$ 2,136,511**

OTHER FUNDS

Adult Education:

Expenditures	Approved Budget	Revised Budget	Year-end Expended	Budget Balance	FY25 % Used	FY24 % Used	FY23 % Used
Wages & benefits (instructors & program admin)	184,119	184,119	177,132	6,987	96.2%	102.2%	88.6%
General supplies & operations	15,910	15,910	14,215	1,695	89.3%	90.1%	94.9%
Instructional supplies, software & equipment	14,100	14,100	7,127	6,973	50.5%	76.2%	34.4%
Expenditure totals	**214,129**	**214,129**	**198,474**	**15,655**	92.7%	98.9%	83.5%

Revenues	Estimated Revenue	Revised Estimate	Year-end Received	Balance/ (Shortfall)	FY25 % Rec'd	FY24 % Rec'd	FY23 % Rec'd
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%	100.0%
State Subsidy - Adult Ed	49,569	49,569	49,569	(0)	100.0%	99.9%	99.8%
Grant Funds	16,000	16,000	14,855	(1,145)	92.8%	134.7%	181.9%
Adult Ed Tuition	40,000	40,000	39,457	(543)	98.6%	78.1%	59.3%
Revenue totals	**214,129**	**214,129**	**212,440**	**(1,689)**	99.2%	100.5%	94.0%

Adult Education year end fund balance	**13,966**
Fund balance as of 6/30/24	36,029
Used for FY26 budget	(31,000)
Total undesignated fund balance	**18,996**

School Nutrition Program:

Expenditures	Approved Budget	Revised Budget	Year-end Expended	Budget Balance	FY25 % Used	FY24 % Used	FY23 % Used
Wages & Benefits	1,373,206	1,373,206	1,285,732	87,474	93.6%	88.7%	89.7%
Food & Beverages	880,700	880,700	811,146	69,554	92.1%	88.2%	129.9%
Contracted Services (software & repairs)	33,600	33,600	28,852	4,748	85.9%	127.1%	105.6%
Supplies & Equipment	100,800	100,800	108,807	(8,007)	107.9%	163.5%	99.7%
Operations	3,350	3,350	3,286	64	98.1%	70.4%	123.0%
Expenditure totals	**2,391,656**	**2,391,656**	**2,237,823**	**153,833**	93.6%	91.9%	102.9%

Revenues	Budgeted Revenue	Revised Estimate	Year-end Received	Balance/ (Shortfall)	FY25 % Rec'd	FY24 % Rec'd	FY23 % Rec'd
Food Sales	378,000	378,000	345,166	(32,834)	91.3%	115.0%	179.8%
Federal Funding (USDA)	607,000	607,000	377,945	(229,055)	62.3%	65.3%	28.2%
State Funding (DOE)	1,401,656	1,401,656	1,499,039	97,383	106.9%	100.0%	3583.7%
Grants & Donations	5,000	5,000	0	(5,000)	0.0%	3.4%	37.5%
Revenue totals	**2,391,656**	**2,391,656**	**2,222,150**	**(169,506)**	92.9%	92.3%	105.8%

School Nutrition year-end fund balance	**(15,673)**
Fund balance as of 6/30/24	554,051
Used for FY26 budget	(50,000)
Total undesignated fund balance	**488,378**

Federal Restricted Funds:	Beg. Balance	FY25 Grant Funds Available	Year-end Revenues	Year-end Expenses	Available Funds
ARP Literacy Grant	28,360	(5,378)	22,983	22,983	0
ARP Summer Learning Grant	48,149	(7,167)	40,983	40,983	0
ARP GEER - MOLI Grant	52,978	(35,670)	17,308	17,308	0
Title IA	67,377	104,347	170,172	170,172	1,553
Title IIA	23,662	82,365	9,480	9,480	96,548
Title III	0	11,592	11,592	11,592	0
Pre-K Local Entitlement	0	13,192	13,192	13,192	0
Local Entitlement	169,403	756,259	866,516	865,369	60,293
Total Federal Restricted	**389,929**	**919,541**	**1,152,225**	**1,151,078**	**158,393**

Grants, Trusts & Special Revenues:	Beg. Balance	FY25 Grant Funds Available	Year-end Revenues	Year-end Expenses	End. Balance
Louis & Tina Fineberg Trust	136,743		0	0	136,743
Scarborough Education Foundation	28,032		14,371	16,284	26,119
Local grants & donations	38,860		5,868	5,298	39,430
CC Admin Recertification (fiscal agent)	4,552		8,165	8,518	4,199
Tech Maintenance Fees	62,877		50,658	14,293	99,242
School Nutrition Special Programs	(4,935)		6,455	6,952	(5,433)
Preventing Student Homelessness Grant	1,748		0	2,010	(262)
PEPG State Grant	588		0	588	0
Preschool Development Grant	0	176,000	160,292	160,292	15,708
Proficiency-based Graduation Grant	3,083		0	3,083	(0)
Total Grants & Trusts	**271,548**		**245,809**	**217,318**	**315,747**

School CIP project account status

FY25 Year End Financials

FACILITIES	Account #	Budget Balance as of 6/30/2024	FY25 Budgeted	FY25 YTD Expenses	Budget Balance as of 6/30/2025
Long-range Planning	73001798 570000	0	585,000	282,264	302,736
District-wide Energy Improvements	73001803 570000	54,589	150,000	142,578	62,011
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	40,477	705,687
District-wide 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	421,001	158,470
District-wide Flooring	74001791 570000	61,345	250,000	110,530	200,815
District-wide Movable Equipment	74001792 573100	85,205	180,500	252,398	13,308
HS Auditorium Equipment	74001793 570000	4,700	418,000	90,563	332,136
District-wide Building Envelope	74001794 570000	51,766	267,600	232,945	86,421
District-wide Grounds & Site Mtce	74001805 570000	127,380	486,000	172,227	441,153
Athletics Facilities/Equipment	74001807 570000	119,464	71,000	9,472	180,992
District-wide HVAC/Mechanical	74176800 573100	110,480	739,000	616,834	232,646
Facilities Support/Equipment	74176900 573100	69,584	110,000	79,517	100,067
Facilities Support/Vehicles	74176900 573200	5,105	0	0	5,105
TOTALS		**1,131,530**	**4,423,100**	**2,708,558**	**2,846,071**
TOWN/SCHOOL PROJECTS					
Turf field & track replacement	74001795 570000	1,120,097	500,000	640,748	979,349
Unified Primary School 2027	73007800 545000	137,500,000	0	0	137,500,000
TOTALS		**138,620,097**	**500,000**	**640,748**	**138,479,349**
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	695,424	67,439
New Equipment	74001799 573100	(2,709)	0	0	(2,709)
TOTALS		**59,280**	**700,875**	**695,424**	**64,731**
GRAND TOTALS		**139,810,975**	**6,158,475**	**4,535,230**	**141,434,220**