

NOTES & COMMENTS

FY26 QUARTER 1 -- FINANCIALS AS OF 9/30/2025

Overview

The first quarter of FY26 has begun with variations on many of the familiar financial themes of recent years. Inflationary pressures and global commerce obstacles continue to delay purchasing and increase costs, with this “new normal” becoming an expected factor in our capital planning and budget process. We have had increased success in attracting candidates for unfilled positions, but the labor market remains challenging and use of contracted services continues to be an important strategy.

As usual at this time of year, we have been closing out FY25 with year-end invoicing, adjustments and financial reports required by the town and state. The auditors have already done their fieldwork onsite, and we expect to have the FY25 audit completed in late November.

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 programs, 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 varied spending patterns from quarter to quarter.

Overall expenditures in FY26 are trending very close to FY25 in most categories, with FY24 still reflecting the payroll calendar shift that caused lower numbers as reported last year. While turnover and open positions (including the 11 new ed tech positions budgeted for FY26) continue to be seen in reduced first quarter spending in Special Services, it’s good to see an increase in Facilities and Transportation. We are currently fully staffed with custodians, and while the shortage of licensed bus drivers continues, we have several trainees in the pipeline, as well as a number of new hires in Food Service. As noted above, we continue to use contracted service providers to ensure that critical work can be completed, which will offset savings in personnel costs.

Here are a few variances of note:

Extra-Curricular – higher early spending in this category is due to a new process of paying athletic officials through the Arbiter software system. Using Arbiter speeds the payment process and reduces paperwork and financial tracking by our Business Office. Funds are loaded to the system in an advance lump sum, which accelerated spending this fall.

Instructional Technology – slightly lower spending in this category is due to the reduction in cost of one of our major operations software programs, as we refined the district’s requirements for the start of the school year. In general, this category tracks lower at first quarter because funding for personnel expenses is transferred to the Town in December and June under our shared services agreement.

System Administration – slightly higher early expenditures in this category reflect the increased cost of multipledistrict-wide software subscriptions, which are paid upfront to begin the school year.

Revenues

Because most 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 similar year over year, with the bulk of budgeted funds already posted and in place during Quarter 1. Higher amounts collected in Summer Academy Fees this year reflect the shift from grant funding to tuition for the High School's credit recovery program, and there is an early amount in the Miscellaneous line from a MEMIC premium refund. This year's financial statement includes a revenue line for the new Pre-K Reserve Fund; funds will be transferred to the General Fund at year end once we know the exact value of expenses to be offset.

Other Funds

Adult Education has a first quarter spending profile consistent with last fiscal year, with similar programs and services continuing with the launch of the Fall catalog. While no grant revenue has been received in the first quarter, we were relieved to learn that the federal AEFLA (literacy) grant would continue to be funded for another year through FY26, as we rely on these funds to support many of our expanded programs for new Mainers and other multi-lingual learners.

With the support of the Maine Legislature, the **School Nutrition Program** continues to provide free breakfasts and lunches to all students, with a la carte items available for purchase at the High School and Middle School. Revenues in Quarter 1 generally lag behind expenses, because state reimbursement claims are processed after each month ends. We expect to receive the reimbursement for September (\$223K) shortly, and funding is expected to continue to comfortably cover program costs this year. For the first time in the School Nutrition fund, we are applying a small amount (\$50K) of prior year fund balance as revenue this year.

The **Federal Restricted Funds** section of the financial statement shows our usual Title and IDEA (Local Entitlement) grants, which is much appreciated after the concerns we experienced in the spring about potential loss of these funds. In **Grants, Trusts & Special Revenues**, there's a new line for several mini grants funded by the Maine Department of Education, as well as a line for the continuation of the state funding for our Pre-K partnership with the Shooting Stars Preschool Program. In other positive news, we have just heard from the DOE that there is now a chance funding may be extended through March of 2026; any additional grant funding we receive will allow us to extend the use of our local Pre-K reserve fund.

Capital Projects

The CIP report for Quarter 1 reflects Facilities spending for regular maintenance over the summer months, with roof repairs and restoration, paving and landscaping projects, and HVAC repairs showing the most significant investment. The new generator was installed at the Middle School bringing that major project to a successful close, and all of the track renovation was completed with the exception of the final surface. Planned facilities maintenance in other budgeted areas will continue over school breaks to cause the least possible disruption for students and staff. Other major expenses are shown in Technology, primarily for the cyclical replacement of K-2 Chromebooks and a virtual server update, and in Transportation where we have paid for and received our three replacement buses for this school year.

In Summary

At the time of this first quarter report, we expect that our financial strategies and budgeted resources will serve to meet the requirements and challenges of the coming school year. With the support of our community and respect for our partnership with them, we strive to ensure that both our district goals and financial decisions put students' needs first.

**Scarborough Public Schools
2025-26 Financial Report
As of September 30, 2025**

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY26 <u>% Used</u>	FY25 <u>% Used</u>	FY24 <u>% Used</u>
General Fund Expenditures: (including encumbrances)							
Regular Instruction:							
Regular Instruction Programs	28,340,927	28,340,927	7,171,966	21,168,961	25.3%	26.0%	20.5%
English as a Second Language (MLL)	697,708	697,708	161,532	536,176	23.2%	23.5%	17.6%
Gifted and Talented Programs	449,985	449,985	113,090	336,895	25.1%	26.5%	22.1%
Special Education Instruction	15,168,596	15,168,596	3,277,249	11,891,347	21.6%	21.2%	17.9%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	322,564	322,564	15,027	307,537	4.7%	3.8%	2.9%
Extra-Curricular	1,630,522	1,630,522	408,703	1,221,819	25.1%	21.3%	16.6%
Student & Staff Support:							
Guidance Services	2,173,873	2,173,873	533,801	1,640,072	24.6%	25.1%	21.4%
Health Services	992,171	992,171	242,988	749,183	24.5%	24.5%	20.2%
Improvement of Instruction	1,100,649	1,100,649	398,821	701,828	36.2%	36.2%	41.3%
Instructional Technology	1,883,782	1,883,782	342,561	1,541,221	18.2%	32.9%	26.6%
Library Services	1,050,723	1,050,723	211,089	839,634	20.1%	21.4%	19.7%
System Administration	1,569,369	1,569,369	471,370	1,097,999	30.0%	28.2%	25.9%
School Administration	2,200,279	2,200,279	539,525	1,660,754	24.5%	23.0%	20.2%
Transportation	2,309,149	2,309,149	421,733	1,887,416	18.3%	15.4%	16.4%
Facilities & Maintenance	5,645,300	5,645,300	1,531,407	4,113,893	27.1%	22.9%	22.7%
Debt Service	5,530,831	5,530,831	0	5,530,831	0.0%	0.0%	0.0%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	71,066,428	71,066,428	15,840,863	55,225,565	22.3%		
FY25 Year-to-date	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%

	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY26 <u>% Rec'd</u>	FY25 <u>% Rec'd</u>	FY24 <u>% Rec'd</u>
General Fund Revenues:							
Town Funding - Local Taxes	60,091,681	60,091,681	60,091,681	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	8,903,247	8,903,247	2,239,885	(6,663,362)	25.2%	24.9%	24.9%
State Agency Client Funding	165,000	165,000	0	(165,000)	0.0%	0.0%	0.0%
Comm. Services Daycare (rent space)	38,500	38,500	0	(38,500)	0.0%	0.0%	0.0%
Community Services Transportation	20,000	20,000	0	(20,000)	0.0%	0.0%	0.0%
Winslow Homer/Facility Rental Fees	20,000	20,000	0	(20,000)	0.0%	0.0%	35.1%
Student Sports/Activity Fees	145,000	145,000	81,958	(63,042)	56.5%	35.1%	31.7%
Summer Academy Fees	5,000	5,000	5,350	350	107.0%	45.8%	100.0%
Renewable Energy Credits	45,000	45,000	0	(45,000)	0.0%	0.0%	0.0%
Pre-K Reserve Fund	70,000	70,000	0	(70,000)	0.0%	0.0%	0.0%
Other Miscellaneous Revenue	63,000	63,000	13,693	(49,307)	21.7%	0.0%	0.0%
Total Revenue	71,066,428	71,066,428	63,932,566	(7,133,862)	90.0%	90.5%	92.3%

**Scarborough Public Schools
2025-26 Financial Report
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OTHER FUNDS

Adult Education:

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY26 <u>% Used</u>	FY25 <u>% Used</u>	FY24 <u>% Used</u>
Expenditures							
Wages & benefits (instructors & program admin)	206,157	206,157	44,521	161,636	21.6%	22.3%	18.3%
General supplies & operations	16,300	16,300	6,666	9,634	40.9%	42.4%	47.4%
Instructional supplies, software & equipment	10,600	10,600	2,601	7,999	24.5%	8.8%	36.4%
Expenditure totals	233,057	233,057	53,787	179,270	23.1%	22.9%	22.1%
	Estimated <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY26 <u>% Rec'd</u>	FY25 <u>% Rec'd</u>	FY24 <u>% Rec'd</u>
Revenues							
Town Funding - Local Taxes	97,048	97,048	97,048	0	100.0%	100.0%	100.0%
Use of Fund Balance	31,000	31,000	31,000	0	100.0%	100.0%	100.0%
State Subsidy - Adult Ed	40,009	40,009	0	(40,009)	0.0%	0.0%	0.0%
Grant Funds	14,000	14,000	0	(14,000)	0.0%	23.2%	5.7%
Adult Ed Tuition	51,000	51,000	5,900	(45,100)	11.6%	16.0%	10.3%
Revenue totals	233,057	233,057	133,948	(99,109)	57.5%	55.4%	52.8%

Adult Education YTD fund balance 80,161

School Nutrition Program:

	Approved <u>Budget</u>	Revised <u>Budget</u>	Year-to-date <u>Expended</u>	Budget <u>Balance</u>	FY26 <u>% Used</u>	FY25 <u>% Used</u>	FY24 <u>% Used</u>
Expenditures							
Wages & Benefits	1,511,144	1,511,144	267,275	1,243,869	17.7%	14.7%	13.2%
Food & Beverages	877,000	877,000	91,487	785,513	10.4%	8.5%	8.3%
Contracted Services (software & repairs)	34,200	34,200	23,364	10,836	68.3%	60.2%	73.2%
Supplies & Equipment	103,000	103,000	7,236	95,764	7.0%	10.8%	23.7%
Operations	4,000	4,000	1,028	2,972	25.7%	29.0%	26.9%
Expenditure totals	2,529,344	2,529,344	390,390	2,138,954	15.4%	12.9%	12.5%
	Budgeted <u>Revenue</u>	Revised <u>Estimate</u>	Year-to-date <u>Received</u>	Balance/ <u>(Shortfall)</u>	FY26 <u>% Rec'd</u>	FY25 <u>% Rec'd</u>	FY24 <u>% Rec'd</u>
Revenues							
Food Sales	400,000	400,000	51,495	(348,505)	12.9%	15.3%	15.9%
Federal Funding (USDA)	475,000	475,000	4,070	(470,930)	0.9%	0.8%	0.6%
State Funding (DOE)	1,601,844	1,601,844	0	(1,601,844)	0.0%	0.0%	0.3%
Grants & Donations	2,500	2,500	0	(2,500)	0.0%	0.0%	0.0%
Use of Fund Balance	50,000	50,000	50,000	0	100.0%	0.0%	0.0%
Revenue totals	2,529,344	2,529,344	105,564	(2,423,780)	4.2%	2.6%	2.4%

School Nutrition YTD fund balance (284,826)

**Scarborough Public Schools
2025-26 Financial Report
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Federal Restricted Funds:	<u>Beg. Balance</u>	<u>FY26 Grant Funds Available</u>	<u>Year-to-date Revenues*</u>	<u>Year-to-date Expenses</u>	<u>Available Funds</u>
Title IA	1,553	90,824	0	8,946	83,431
Title IIA	96,548	84,920	0	15,012	166,456
Title III	0	10,953	0	0	10,953
IDEA/Local Entitlement	59,146	794,539	0	133,807	719,878
Pre-K Local Entitlement	0	20,971	0	0	20,971
Total Federal Restricted	157,246	1,002,207	0	157,764	1,001,689

*Does not include pending reimbursement - Federal funds are disbursed after actual expenditures are reported.

Grants, Trusts & Special Revenues:	<u>Beg. Balance</u>	<u>FY26 Grant Funds Available</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	26,119		0	5,610	20,509
Local grants & donations	39,430		5,000	1,337	43,093
CC Admin Recertification (fiscal agent)	4,199		0	0	4,199
Tech Maintenance Fees	99,242		363	0	99,605
School Nutrition Special Programs	(5,433)		5,300	778	(911)
MLTI Tech Hardware	0		114,960	114,960	0
Preventing Student Homelessness Grant	6,378		0	1,314	5,064
Maine DOE Mini Grants	0		5,000	2,675	2,325
Preschool Development Grant	15,708	43,907	0	0	59,615
Total Grants & Trusts	322,386		130,623	126,675	370,241

School CIP project account status
as of 9/30/2025

FACILITIES	Budget Balance as of 6/30/2025	FY26 Budgeted	FY26 YTD Expenses*	Budget Balance as of 9/30/2025
Long-range Planning	303,132	0	16,789	286,343
District-wide Energy Improvements	62,011	168,000	28,630	201,382
Kitchen Equipment	6,911	0	1,424	5,487
District-wide Plumbing	16,276	0	2,559	13,717
District-wide Roofing	705,687	829,000	409,066	1,125,621
District-wide Exterior/Interior Finishes	675	280,000	225,461	55,215
District-wide Interior Construction	660	0	0	660
District-wide Security & Access Mgmt	158,470	607,000	278,398	487,072
District-wide Flooring	200,815	0	86,418	114,397
District-wide Movable Equipment	13,308	260,000	141,454	131,854
HS Auditorium Equipment	332,136	190,000	213,420	308,716
District-wide Building Envelope	86,421	220,000	55,207	251,215
District-wide Grounds & Site Mtce	441,153	230,000	487,653	183,500
Athletics Facilities/Equipment	180,992	67,000	154,485	93,507
District-wide HVAC/Mechanical	235,671	280,000	269,348	246,323
Facilities Support/Equipment	100,067	120,000	15,756	204,311
Facilities Support/Vehicles	5,105	65,000	0	70,105
TOTALS	2,849,492	3,316,000	2,386,067	3,779,425

TOWN/SCHOOL PROJECTS

Turf field & track replacement	979,349	0	865,496	113,854
School Building Project	0	600,000	0	600,000
TOTALS	979,349	600,000	865,496	713,854

TRANSPORTATION

Bus purchase/replacement	44,000	423,000	458,608	8,392
Van purchase/replacement	0	30,000	0	30,000
Transportation software	68	0	0	68
TOTALS	44,069	453,000	458,608	38,461

TECHNOLOGY

Equipment Replacement	67,439	955,000	439,105	583,335
New Equipment	(2,709)	0	0	(2,709)
TOTALS	64,731	955,000	439,105	580,626

*including encumbrances

GRAND TOTALS	3,937,641	5,324,000	4,149,276	5,112,365
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