NOTES & COMMENTS
FY26 QUARTER 2 -- FINANCIALS AS OF 12/31/2025

Overview

The Quarter 1 financial report in each fiscal year comes at a moment of looking both ahead and behind, as the Business Office completes the audit of the prior fiscal year at the same time that we launch into the development of a new budget for the next. The next few months will be spent in strategic forward planning, as we continue to work to maintain a healthy financial foundation in the current year.

Expenditures

The end of the second quarter is 50% through the fiscal year and 43% through the school year. As usual in our quarterly financial statements, this report includes columns showing comparative percentages from the second quarter of the two prior fiscal years, to help us identify and address any notable variances.

As reported in Quarter 1, hiring has been more successful in recent months, with the ongoing challenge of unfilled positions now resolved in both Facilities and School Nutrition, and a consequent increase in spending levels at the end of Quarter 2. Where critical services are impacted by short staffing, we continue to use contracted service providers. Mid-year budget transfers have been processed from wage and benefit accounts to contracted services accounts in both Transportation and Special Services, as discussed with the School Board Finance Committee; we will continue to monitor these accounts and make additional adjustments as needed at year end.

In most cases, expenditure percentages in this report are within a point or two of prior years. Here are a few variances of note:

Other Instruction: Co-Curricular – A slightly lower rate of expenditure in this budget category is attributable to turnover and transition in student theater programs, both at the High School and the Middle School, which caused a delay in production costs as well as a shift in stipends.

Improvement of Instruction – This budget category comes in at a lower than usual expenditure percentage for Quarter 2 due to the unfilled K-12 Specialist position, which has now been redesigned after an unexpected resignation last school year. A portion of current staff costs is being covered through Title II, and budget plans for FY27 currently call for the reduction of this position.

Facilities & Maintenance – As noted above, expenditures in this category have rebounded from prior years as we have finally been able to fill multiple open positions. While turnover continues in a volatile labor market, we are encouraged that our current wage and benefits package appears to be competitive.

Revenues

Revenue receipts at the end of the second quarter are generally trending as expected, apart from a drop off in State Agency Client billing and a notable increase in Miscellaneous Revenues, where the sale of two retired buses at auction generated over $35,000. As noted in Quarter 1, the allocation of Pre-K Reserve Funds will be posted at year end once we know the exact value of local expenses to be offset after state grant funds are exhausted.

Other Funds

Adult Education shows a similar spending pattern to recent years, with Workforce and MLL programming predominant in our current course offerings. Revenues are flowing as expected, although tuition for enrichment programming is lower than forecast; state subsidy does not appear in this report but was received in January 2026.

The **School Nutrition Program** shows a slight increase in percentage spent on wages and benefits as we are currently almost fully staffed for the first time in many years, as noted above. A downturn in spending on both food and non-food supplies compared with last year reflects the value of our participation in local co-ops with locked-in pricing contracts, as well as strategic use of the USDA commodities program to offset purchase of staple ingredients. Federal and state revenues at the time of this report include reimbursements through the November claim, and with continued support from the State legislature, funding is expected to cover program costs again this year.

In **Federal grant funds**, revenues lag behind expenditures because they are billed to the Dept. of Education after the expense has occurred. Grant allocations are shown for the full year, and funds are confirmed at this point for the remainder of FY26, which is a relief compared with the uncertainty we faced last year. A substantial carry-over balance generated in FY25 in Title IIA is now being used for a portion of salary and benefits for our K-12 Curriculum Specialist, as well as for expanded opportunities in staff professional development. In **Grants, Trusts & Special Revenues**, a notable highlight is the revenue received in recent months in support of the School Nutrition Backpack Program. We are also pleased to show an increase of $32,800 in our Preschool Development Grant, which has been approved for extended funding through March 31, 2026.

Capital Projects

With the completion of large-scale projects over the summer (as described in the Quarter 1 report), Facilities work becomes more sporadic in Quarter 2, with scheduling focused on minimizing disruptions during the school year. Ongoing expenditures are seen in Energy Improvements, Security & Access Management, and Moveable Equipment as incremental work can be completed while school is in session. Spending in Long-Range Planning for work by Harriman to finalize design plans for the K-8 Building Project will shift to the Building Project capital account starting in Quarter 3. In Technology, staff laptops were purchased for the High School and Middle School, as we continue to adjust purchasing timelines to contend with global supply chain interruptions.

In Summary

We are pleased to report that our budget to actual position in the current year to date is favorable. Work on budget development for FY27 is already underway, and school leaders are in the process of balancing student needs and district goals with the financial constraints needed to minimize the impact on local taxpayers. Having a strong foundation in the current year should serve us well in that endeavor.

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General Fund Expenditures: (including encumbrances)	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY26 % Used	FY25 % Used	FY24 % Used
Regular Instruction:							
Regular Instruction Programs	28,340,927	28,340,927	13,515,867	14,825,060	47.7%	48.5%	46.6%
English as a Second Language (MLL)	697,708	697,708	311,948	385,760	44.7%	43.6%	42.1%
Gifted and Talented Programs	449,985	449,985	219,745	230,240	48.8%	48.9%	48.5%
Special Education Instruction	15,168,596	15,168,596	6,841,602	8,326,994	45.1%	44.4%	43.9%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	322,564	322,564	142,964	179,600	44.3%	50.2%	50.2%
Extra-Curricular	1,630,522	1,630,522	874,347	756,175	53.6%	51.1%	46.2%
Student & Staff Support:							
Guidance Services	2,173,873	2,173,873	1,023,194	1,150,679	47.1%	48.3%	49.0%
Health Services	992,171	992,171	476,111	516,060	48.0%	47.3%	46.9%
Improvement of Instruction	1,100,649	1,100,649	536,597	564,052	48.8%	51.4%	58.2%
Instructional Technology	1,883,782	1,883,782	1,000,360	883,422	53.1%	64.8%	32.4%
Library Services	1,050,723	1,050,723	451,327	599,396	43.0%	42.0%	46.5%
System Administration	1,569,369	1,569,369	820,075	749,294	52.3%	47.4%	51.3%
School Administration	2,200,279	2,200,279	1,068,507	1,131,772	48.6%	47.2%	46.6%
Transportation	2,309,149	2,309,149	989,453	1,319,696	42.8%	43.4%	42.2%
Facilities & Maintenance	5,645,300	5,645,300	2,922,845	2,722,455	51.8%	44.2%	44.0%
Debt Service	5,530,831	5,530,831	4,364,595	1,166,236	78.9%	79.3%	83.2%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	**71,066,428**	**71,066,428**	**35,559,537**	**35,506,891**	50.0%		
FY25 Year-to-date	**65,828,078**	**65,828,078**	**32,840,057**	**32,988,021**		49.9%	
FY24 Year-to-date	**62,052,141**	**62,052,141**	**30,384,600**	**31,667,541**			49.0%

General Fund Revenues:	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY26 % Rec'd	FY25 % Rec'd	FY24 % Rec'd
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%
Pre-K Reserve Fund	70,000	70,000	0	(70,000)	0.0%	0.0%	0.0%
State Subsidy - GPA	8,903,247	8,903,247	4,477,963	(4,425,284)	50.3%	50.3%	50.7%
State Agency Client Funding	165,000	165,000	15,971	(149,029)	9.7%	56.1%	37.7%
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	31,476	11,476	157.4%	0.0%	97.4%
Winslow Homer/Facility Rental Fees	20,000	20,000	7,623	(12,378)	38.1%	15.9%	22.3%
Student Sports/Activity Fees	145,000	145,000	94,789	(50,211)	65.4%	70.0%	62.3%
Summer Academy Fees	5,000	5,000	5,350	350	107.0%	45.8%	60.0%
Renewable Energy Credits	45,000	45,000	25,887	(19,113)	57.5%	0.0%	0.0%
Other Miscellaneous Revenue	63,000	63,000	77,818	14,818	123.5%	51.2%	59.0%
Total Revenue	**71,066,428**	**71,066,428**	**66,328,559**	**(4,737,869)**	93.3%	93.7%	95.0%

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OTHER FUNDS

Adult Education:

Expenditures	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY26 % Used	FY25 % Used	FY24 % Used
Wages & benefits (instructors & program admin)	206,157	206,157	99,257	106,900	48.1%	48.5%	50.5%
General supplies & operations	16,300	16,300	8,803	7,497	54.0%	59.2%	62.3%
Instructional supplies, software & equipment	10,600	10,600	4,067	6,533	38.4%	21.2%	49.2%
Expenditure totals	**233,057**	**233,057**	**112,127**	**120,930**	48.1%	47.5%	51.2%

Revenues	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY26 % Rec'd	FY25 % Rec'd	FY24 % Rec'd
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%	99.9%
Grant Funds	14,000	14,000	1,820	(12,180)	13.0%	23.2%	16.1%
Adult Ed Tuition	51,000	51,000	13,195	(37,805)	25.9%	48.9%	37.1%
Revenue totals	**233,057**	**233,057**	**143,063**	**(89,994)**	61.4%	84.7%	79.7%

Adult Education YTD fund balance	**30,936**

School Nutrition Program:

Expenditures	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY26 % Used	FY25 % Used	FY24 % Used
Wages & Benefits	1,511,144	1,511,144	648,764	862,380	42.9%	40.1%	40.3%
Food & Beverages	877,000	877,000	356,323	520,677	40.6%	44.8%	40.1%
Contracted Services (software & repairs)	34,200	34,200	27,771	6,429	81.2%	76.4%	81.8%
Supplies & Equipment	103,000	103,000	33,952	69,048	33.0%	52.9%	105.8%
Operations	4,000	4,000	1,621	2,379	40.5%	44.1%	46.3%
Expenditure totals	**2,529,344**	**2,529,344**	**1,068,431**	**1,460,913**	42.2%	42.9%	43.3%

Revenues	Budgeted Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY26 % Rec'd	FY25 % Rec'd	FY24 % Rec'd
Food Sales	400,000	400,000	143,311	(256,689)	35.8%	42.2%	51.8%
Federal Funding (USDA)	475,000	475,000	131,995	(343,005)	27.8%	22.3%	12.9%
State Funding (DOE)	1,601,844	1,601,844	521,131	(1,080,713)	32.5%	36.3%	22.6%
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**	**846,436**	**(1,682,908)**	33.5%	33.6%	23.7%

School Nutrition YTD fund balance	**(221,995)**

DOE reimbursement through November claim, December is $155,532

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Federal Restricted Funds:	Beg. Balance	FY26 Grant Funds Available	Year-to-date Revenues*	Year-to-date Expenses	Available Funds
Title IA	1,553	90,824	8,946	35,495	56,882
Title IIA	96,548	84,920	14,162	36,433	145,034
Title III	0	10,953	0	0	10,953
Pre-K Local Entitlement	0	20,971	0	0	20,971
Local Entitlement	59,146	794,539	27,567	320,471	533,214
Total Federal Restricted	**157,246**	**1,002,207**	**50,675**	**392,399**	**767,054**

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

Grants, Trusts & Special Revenues:	Beg. Balance	FY26 Grant Funds Available	Year-to-date Revenues	Year-to-date Expenses	End. Balance
Louis & Tina Fineberg Trust	136,743		0	0	136,743
Scarborough Education Foundation	26,119		0	7,206	18,913
Local grants & donations	39,430		5,500	3,054	41,876
CC Admin Recertification (fiscal agent)	4,199		2,990	0	7,189
Tech Maintenance Fees	99,242		22,183	0	121,425
School Nutrition Special Programs	(5,433)		26,011	7,088	13,490
MLTI Tech Hardware	0		114,960	114,960	0
Preventing Student Homelessness Grant	6,378		1,935	1,398	4,980
Maine DOE Mini Grants	0	10,000	5,000	6,449	3,551
Preschool Development Grant	15,708	76,707	0	69,955	22,460
Total Grants & Trusts	**322,386**		**178,579**	**210,110**	**370,628**

School CIP project account status
as of 12/31/2025

FACILITIES	Budget Balance as of 6/30/2025	FY26 Budgeted	FY26 YTD Expenses*	Budget Balance as of 12/31/2025
Long-range Planning	303,132	0	47,895	255,237
District-wide Energy Improvements	62,011	168,000	56,012	173,999
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	213,676	67,000
District-wide Interior Construction	660	0	0	660
District-wide Security & Access Mgmt	158,470	607,000	340,653	424,817
District-wide Flooring	200,815	0	86,418	114,397
District-wide Movable Equipment	13,308	260,000	155,547	117,761
HS Auditorium Equipment	332,136	190,000	213,420	308,716
District-wide Building Envelope	86,421	220,000	165,147	141,275
District-wide Grounds & Site Mtce	441,153	230,000	503,243	167,910
Athletics Facilities/Equipment	180,992	67,000	155,485	92,507
District-wide HVAC/Mechanical	235,671	280,000	290,243	225,428
Facilities Support/Equipment	100,067	120,000	20,560	199,508
Facilities Support/Vehicles	5,105	65,000	0	70,105
TOTALS	**2,849,492**	**3,316,000**	**2,661,347**	**3,504,145**
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**	**113,854**
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	623,015	399,425
New Equipment	(2,709)	0	0	(2,709)
TOTALS	**64,731**	**955,000**	**623,015**	**396,716**
			*including encumbrances	
GRAND TOTALS	**3,937,641**	**5,324,000**	**4,608,466**	**4,053,175**