Maine School of Science and Mathematics

December 2024

Dear Governor Mills, Commissioner Makin, Members of the Joint Standing Committee on Education and Cultural Affairs, and Members of the Joint Standing Committee on Appropriations and Financial Affairs:

Pursuant to TITLE 20-A, Section 8205, subsection 16, please accept the attached report discussing the general status of the School, student assessment results, and professional development of teachers outcomes. Appended to the report is the School's independently audited financial statements for the fiscal year ending June 30, 2024.

Finally, Pursuant to TITLE 20-A, Section 8205, subsection 16-A, please find appended to this report quarterly financials for the first quarter (July 1-September 30) of the fiscal year ending June 30, 2025.

Pursuant to TITLE 20-A, Section 8205, subsection 16-B, please also find appended to the report an annual sustainability report addressing student recruitment and attrition, graduation rates, student support services available to students, and a discussion of the School's Limestone location for the 2023-24 academic year.

The Board of Trustees of the Maine School of Science and Mathematics appreciate our responsibility to serve as the School's governance body and ensure the appropriate use of public funds allocated to the School. Through our quarterly meetings where we receive detailed updates from the School's administration (all Board materials can be found at https://www.mssm.org/about-mssm/board-of-trustees) and our monthly committee meetings where we receive on-going updates on various areas of the School's operations and engage in generative discussion around the School's work, we exercise our responsibility to oversee the School's executive director and execute our fiduciary responsibilities.

We are excited with the School's continued success providing a residential, STEM-based educational experience for the students of Maine. As we approach our thirtieth commencement, we're also excited to be engaging the School in a forward-looking strategic planning process to ensure the School remains relevant in the Maine educational and professional landscape. We recognize the challenges our current static funding places on the School but remain invested in providing a strong experience while we work with State leadership in Augusta to recognize the value of MSSM and the return on the State's investment in the School.

The MSSM Board of Trustees

Maine School of Science and Mathematics

Annual Report For the 2023-24 Academic Year To:
The Joint Standing Committee on Education and Cultural Affairs
The Joint Standing Committee on Appropriations and Financial Affairs
The Commissioner of Education
The Governor of the State of Maine

Prepared by:
The Maine School of Science and Mathematics Board of Trustees
The Executive Director of the Maine School of Science and Mathematics

December 2024

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STATE OF THE SCHOOL

The 2023-24 year was one of a fair amount of transition at MSSM. After an extensive national search led by a consultant with Educators Collaborative, the Board of Trustees hired a new executive director to replace our outgoing interim director. We were pleased to welcome Rob Constantine to the School in June 2023. Rob came with over 30 years of educational experience, including serving as a senior administrator in high school and college settings for the past 15 years. In addition to bringing on a new executive director, the School transitioned several additional faculty and staff roles at the start of the 2023-24 year. While the Board has been impressed by the quality of the new faculty and staff who joined the School, we were keenly aware of the challenges the incoming administration faced in hiring highly qualified teachers in the current market and applaud the administration for pursuing innovative approaches to recruitment and utilizing new sources of potential employees in their efforts for the 2023-24 year.

A key focus the Board identified for the 2023-24 year was to ensure a sense of stability and positivity in the campus community. We have been pleased that the School's leadership transition and the work of the administration appears to have created this atmosphere - allowing the Board to focus on more appropriate governance work. The Board engaged in self-assessment work that allowed it to more clearly define its role, hone its Committee structure, and begin some strategic work on the School's future. We were excited to approve the work of the Strategic Plan Steering Committee - a group consisting of Board and non-Board members that took the extensive community feedback gathered as part of the executive director search process - at the May 2024 quarterly meeting of the Board. This consisted of identifying some key foci ("pillars"), developing a forward-looking vision for each of those areas, and then identifying some high-level strategic goals to move the School toward that vision.

Enrollment remained a primary focus of the School for the 2023-24 year. October 1, 2023 enrollment was 102 students for the 2023-24 year, slightly lower than the previous year. This is a continuation of the significant decline in enrollment the School experienced immediately following the COVID pandemic - which led to the loss of international students and a drop in Maine students. We also recognize that the School's leadership transitions and the departure of a long serving admission director had negative impacts on the School's admission program. We do not project growth for the 2024-25 academic year given our existing structure but are pleased to share that we did hire a new dean of enrollment management with admission experience in college and boarding school settings who will begin in July of 2024 and begin working earnestly on our 2025-26 enrollment. We also began working with educational consultants with the goal of becoming an option for qualified students living out of state.

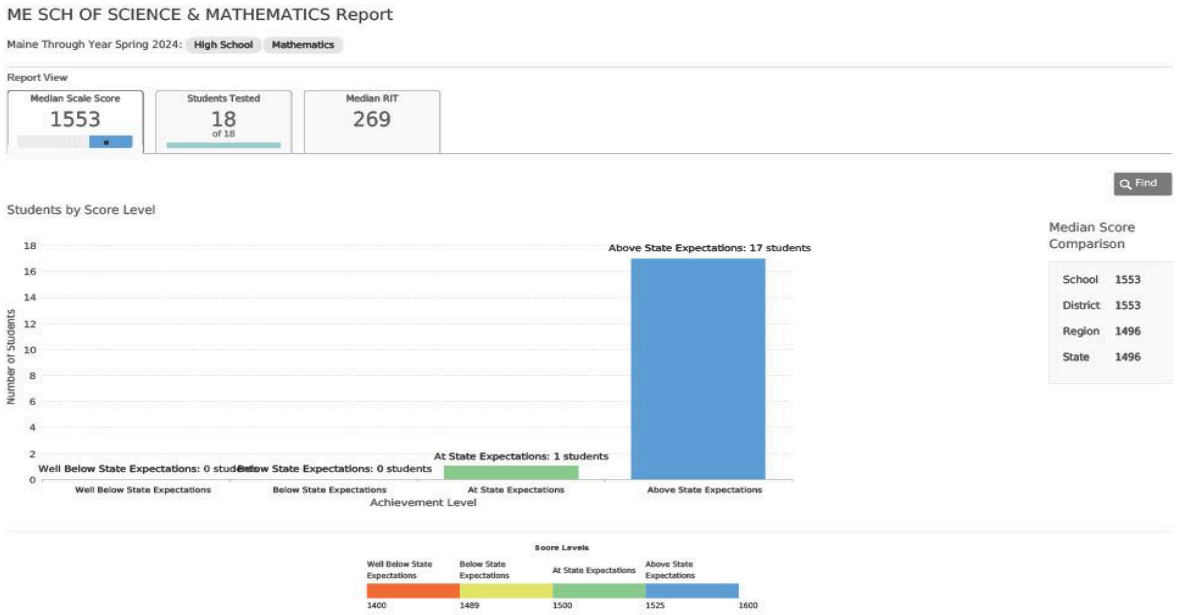
TRACKED BENCHMARKS AND OUTCOMES

The primary focus of the School is our challenging academic program that gathers students unable to find the level of coursework they are looking for into a residential program of like-minded and motivated students. As such, the key measures of our success, and the state's return on its investment in these students through MSSM, focus on academic achievement.

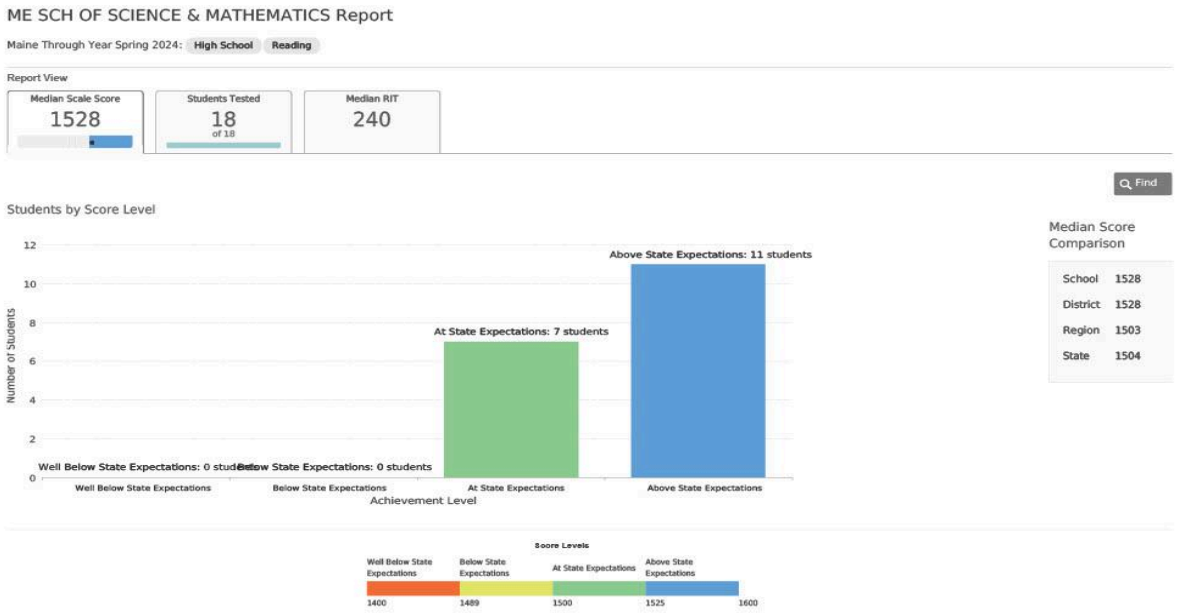
There are many internal measures that we track to measure success and identify students that need additional support. Faculty are required to prepare detailed syllabi, establish a robust series of in-class assessments, and enter grades regularly into the School's grading system. While this system is essential to ensuring that we are providing a top-notch education to our students, we recognize that it is also important to identify and track a series of on-going measures with some external validation to demonstrate success to a broader audience.

The School has looked at a number of different measures and during the course of the 2023-24 academic year we also re-instituted the Department of Education mandated testing for our students. Since these scores provide an excellent comparison to Maine and national standards, we plan to continue to track and report on those measures going forward. At this time, we also feel that it is important to track SAT testing scores since these also provide some comparison points. We are also tracking the annual number of dual-enrollment credits awarded to students studying at MSSM through our arrangement with the University of Maine at Presque Isle since this is an important part of our program for many Maine students and families.

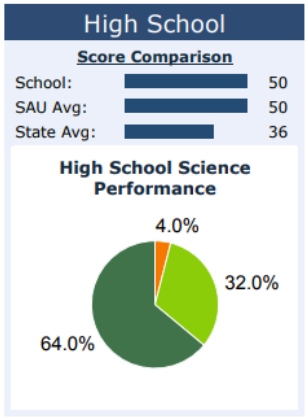
Spring 2024 NWEA Through the Year Mathematics Assessment (second year of high school)



Spring 2024 NWEA Through The Year Reading Assessment (second year of high school)



2024 Maine Science Assessment (3rd year of high school)



High School	Total N Tested	Overall Average Scaled Score	Overall Average Achievement Level	Percent Borderline Students*	Achievement Level								Raw Score Average		
					Well Below		Below		At		Above		Subscore 1	Subscore 2	Subscore 3
					N Count	%	N Count	%	N Count	%	N Count	%			
ME Sch of Science & Mathematics	25	50	Above	0	1	4.0	0	0.0	8	32.0	16	64.0	13/18	14/19	13/18

High School	Total N Tested	Overall Average Scaled Score	Overall Average Achievement Level	Percent Borderline Students*	Achievement Level								Raw Score Average		
					Well Below		Below		At		Above		Subscore 1	Subscore 2	Subscore 3
					N Count	%	N Count	%	N Count	%	N Count	%			
State: High School	11587	36	Below	9	4959	42.8	2446	21.1	3467	29.9	715	6.2	7/18	9/19	8/18

SAT Score Distribution Class of 20204 Cohort Report

Total and Section Scores

Total Score			ERW			Math		
1400–1600	15	60%	700–800	15	60%	17	68%
1200–1390	9	36%	600–690	9	36%	6	24%
1000–1190	1	4%	500–590	1	4%	2	8%
800–990	0		400–490	0		0	
600–790	0		300–390	0		0	
400–590	0		200–290	0		0	
Mean	1418		Mean	702		716	
SD	108		SD	58		65	

As each of these charts illustrates, MSSM students are excelling in academics both at the state and national levels. MSSM demonstrates the ability to keep these students engaged and challenged in their studies - facilitating their academic success.

In addition to their performance on standardized tests, many students take advantage of the opportunity to take courses with MSSM teachers and receive concurrent credits through the University of Maine at Presque Isle. During the 2023-24 academic year, MSSM students were awarded 1210 credits through this arrangement and 8 students completed the requirements and were awarded an Associate of Arts degree from the University in addition to their MSSM diploma. Besides validating the rigor of MSSM's classes - with many meeting the standards of a college class - this program also creates a tremendous opportunity and incentive for students to remain in the University of Maine system where these credits will transfer automatically, allowing students to focus on advanced classes, complete their degree earlier, and reduce the costs of higher education for Maine families.

We also recognize the tremendous importance of our residential program to student growth and development. We are currently reviewing various options to identify a measure that we can use with the same external validation to track our success in the School's residential life program.

TEACHER PROFESSIONAL DEVELOPMENT

Following the need to cancel summer workshops for teachers during COVID, a rise in the number of opportunities for teacher training elsewhere, and flat-funding since 2017, the Maine School of Science and Mathematics has not provided significant teacher training programs for a few years. While we continued to ensure our teachers had access to important professional development, this trend toward limited external teacher training remained the same in 2023-24.

We did focus on building relationships with other schools and institutions to better identify and position the School to identify collaborative opportunities to promote professional development among teachers. We also hope that this work will foster partnerships where MSSM can contribute directly to student experience at other schools and organizations.

MSSM remained active in the Central Aroostook Council on Education throughout the 2023-24 academic year. Some MSSM personnel participated in the primary CACE event - a day of educator workshops offered to teachers and others throughout the region. MSSM has also continued to serve as fiscal agent for a RUS-DLT grant that will bring much-needed technology to local schools with the goal of creating more virtual learning and connection opportunities between those schools.

As the School has made difficult decisions around staffing given the challenges we've faced with a flat budget through a time of high inflation, we have focused our limited resources on serving the students attending school at our Limestone campus. We will continue to build partnerships

with the goal of identifying cost-effective ways that MSSM can help support the professional growth of STEM teachers in Maine.

LOOKING FORWARD

While we had an important internal and immediate focus given our leadership transition, turnover in our faculty and staff, and financial challenges due to flat state funding, decreased enrollment, and a static organizational structure, we are pleased that we did focus on the School's future during the year. We would like to highlight some of that work and the positive impact we are confident it will have on the School's future.

Recognizing that we would receive an additional one-time appropriation of $500,000 for the 2024-2025 academic year, the Board of Trustees (led by the Finance and Facilities Committee) engaged in significant discussion about the uses of those monies that would best serve the School. We identified several projects, with the focus on one-time capital expenditures, that had the capacity to reduce on-going operating expenses. This will allow the School to address some existing capital needs while also relieving some of the pressure on our tight operating budget. One significant use that we have already been doing the preparation work for is the School's purchase of its portion of a solar array with the Town of Limestone. This purchase, costing roughly $160,000 was completed in early July 2024 with the solar generation offsetting most of the School's dorm electrical costs and saving roughly $20,000 annually.

We did decide to allocate a portion of the funds to hire a new Dean for Enrollment Management to begin in July 2024. While this new role will have limited impact on the 2024-25 enrollment since that admission cycle will largely be over at that point, we are confident that this will lead to increased enrollment beginning with the 2025-26 year. Our goal is to grow our student enrollment to our planned number of 125 students over the next three years. Over the next five years we also plan on converting a small percentage of those students to out-of-state, tuition-paying students - providing valuable program diversity as well as additional revenue to support School operations.

Finally, we would like to highlight the work the Board has begun on a strategic planning process for MSSM. This is an important process for the School, and the Board recognizes that it is important the School develops a strategic plan that is both forward-looking and manageable. The Board also recognizes that it is important that the strategic plan creates a framework for institutional decision-making, is regularly reviewed, and that the Board holds the executive director accountable for ensuring progress on the strategic plan.

At their December 2023 meeting, the Board of Trustees hosted a workshop with all trustees, MSSM Foundation board members, and the School's leadership team. The goal of this workshop

was to develop a shared understanding of a strategic plan and strategic plan process, recognize work that has been done before and the value of and challenges facing those past efforts, and begin to identify some of the “big questions” facing the School. Following that workshop, the Board appointed a smaller Steering Committee consisting of five board members, the chair of the MSSM Foundation board, and the executive director.

The Steering Committee met several times both in smaller groups and as a full committee to develop a list of proposed pillars, vision for each pillar, and some strategic goals. This draft was presented to the Board to review in a workshop and then the Board approved a list of strategic vision and goals that was approved at the May 2024 quarterly Board meeting. That list is included below as Appendix B.

Each Board committee will be focused on the Strategic Plan for 2024-25 with the goal of approving a plan of action for moving the School toward these goals. That plan of action will include accountability, outcome expectations, and costs.

Appendix A: Annual Sustainability Report for 2023-24

Annual Sustainability Report

Prepared for the Education and Cultural Affairs Committee

(Preliminary Report presented February 16, 2024)

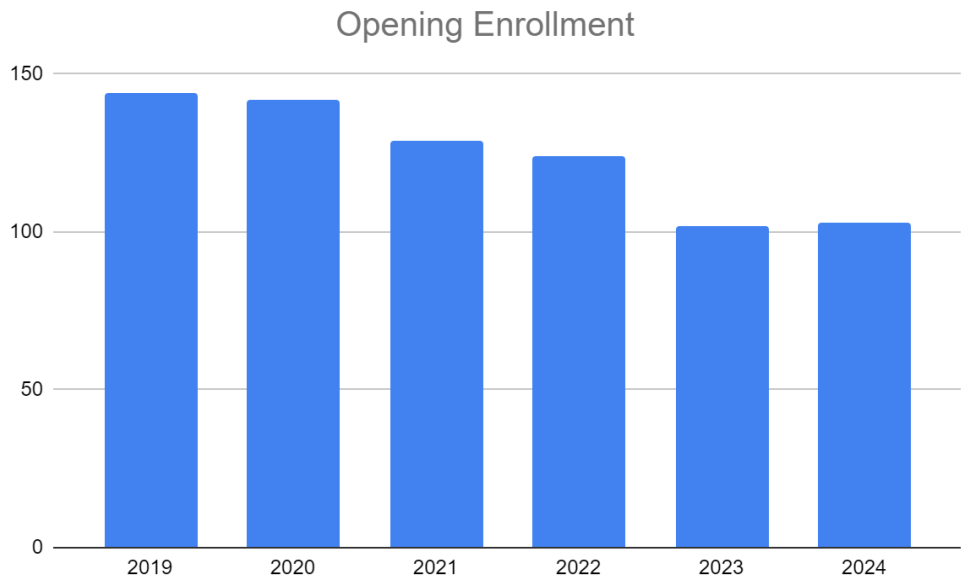
The Maine School of Science and Mathematics is pleased to submit the following annual sustainability report to the Joint Standing Committee on Education and Cultural Affairs. We appreciate the ongoing support of the Committee and are happy to answer any questions on the information contained in this report or that members of the Committee may have of the School.

In addition to this report, we encourage and invite any interested Committee members to access the Administration's quarterly report prepared for the Board of Trustees.

Enrollment

Opening Enrollment

With the cuts the School has been forced to make under our static funding model, we employed one full time and one part time position in our admission office for the 2023-24 year. In addition to student recruitment, the full time admission staff runs our summer programming and manages the School's communication and marketing efforts. Communications and marketing are essential to a successful admission program and many schools house those efforts within the admission office - though they also usually allocate additional staff directly to those efforts.



As the above chart shows, MSSM has seen a decrease in opening enrollment since 2018. Further examination points to two windows of significant drops: year ending 2020 to year ending 2021 and year ending 2022 to year ending 2023. The first drop is primarily due to the end of the School's international student program which enrolled about 15 students. This program ended largely due to to COVID but also reflects the School's clarifying its ability to issue visas to international students for only one year based on its public school status. The second drop is largely explained by a transition in a longer-term admission director and a decrease in staffing at that time. It is also important to note that the School did begin to work on better assessing students through the admission process to ensure mission-appropriateness and reduce high attrition rates and this caused the School to counsel out some students. (Discussed in the Student Attrition section below.)

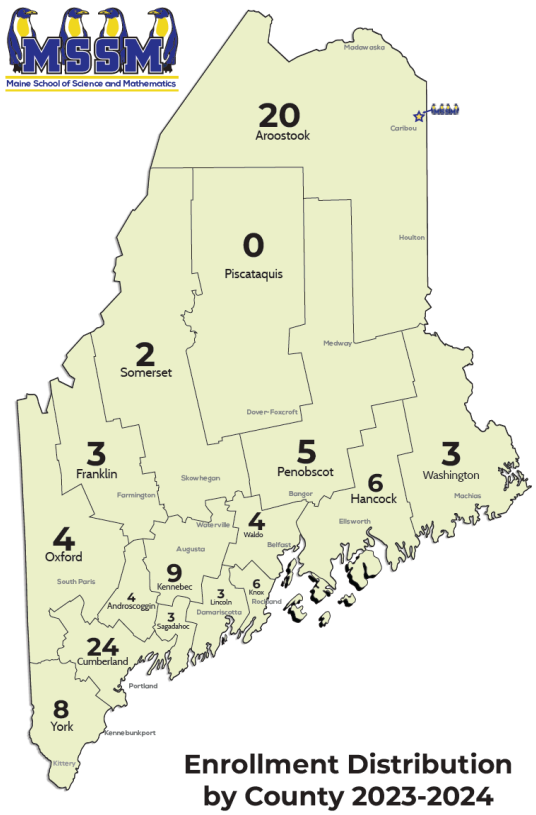
Geographic Distribution

MSSM opened the 2023-24 academic year with 104 students. The map below shows the distribution of students throughout the state. While most counties are represented, the 2023-24 student population drew largely from a few regions:

- Aroostook County: 19%

- Cumberland and York Counties: 31%
- Kennebec County: 9%

In general, the student distribution for 2023-24 was largely coastal and Aroostook County, with far less representation in more inland counties. While we do not have accompanying maps to illustrate the change in our student body geographic distribution, we do recognize that the 2023-24 student distribution represents a less distributed student body and highlights a trend toward a condensed portion of the state and Maine's student population that MSSM is reaching and serving.



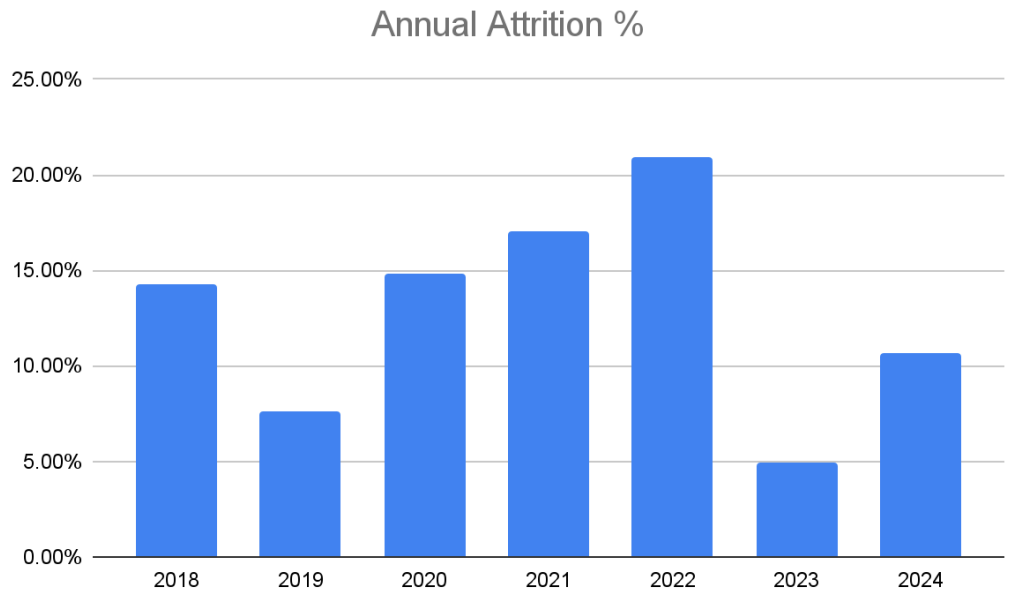
There are several factors that contribute to the decrease in our geographic distribution. A significant factor is our current room and board cost to families - $10,300 - and the challenge of that number to many Maine families. We do allocate a portion of our state appropriation to financial aid - $300,000 (8%) of our appropriation in this current fiscal year - but we recognize that some families likely experience "sticker shock" and do not even consider MSSM a possibility. It is also important to note that MSSM is currently maxing out our current financial aid budget, making it challenging to continue to bring in more students that require financial assistance to cover room and board costs.

We have focused our static state appropriated funds on our core deliverable - the excellent education of our students. As we've had to make cuts, we've made those in other important areas that have less immediate impact on students. Our admission payroll has decreased by $64,663 over the past five years, even accounting for nominal raises we've provided staff in some of those years and the annual increases in benefits costs. This makes us less able to be

present throughout the year and throughout the state, and has certainly had an impact on our ability to attract students from some of the less populous parts of Maine where our cost may be more discouraging and there is less familiarity with the opportunities available to students at MSSM.

Student Attrition

The following graph represents the School's attrition rate since 2018. We focused on this period because it represents both a pre- and post-pandemic picture to truly represent trends in student attrition. As you can see, the School has seen a reduction in student attrition over the last two years, with attrition among the lowest rates the School has seen in its history.



There are many steps the School has taken that attribute to the downward trend we are seeing in student attrition:

1) Improving our admission process so that we are more acutely aware of each student's needs before they enter MSSM and able to put the appropriate supports in place prior to the student's arrival.
2) A developing robust Student Support program that is better equipped to help students negotiate the transition to a residential rigorous educational environment. (Addressed in more detail below.)
3) Better awareness of the challenges students, especially gifted students, face and a broadened institutional definition of mission appropriate students and commitment to serving the full range of those students.

While there is always more we can do, and we are looking at ways we can improve our management of students considering leaving or facing dismissal for academic/disciplinary reasons, the School's administrative Leadership Team and the School's student support team have debriefed these departures to ensure that the School took all appropriate and possible

steps to work with the student and family on a retention plan. We are satisfied that, in each departure this year, the appropriate steps were taken to try to retain the student.

Graduation Rates

Because MSSM is a school by choice and students can be dismissed from the School if they are not meeting our academic or behavioral standards, and because of the abilities of the students we serve, it is extraordinarily rare that a student does not graduate upon completing their time at MSSM. More important than graduation rate is the attrition rate discussed above - this trend better expresses the School's ability to enroll mission-appropriate students, support students once they are enrolled, and guide gifted students through their high school education. 100% of our graduates are accepted to college, and most years 100% go on to enroll in college with an occasional student pursuing some interest for a gap year. We are working on better tracking of our graduates and their activities and success after graduation.

Admission Plan

The School's Board of Trustees and the School's new executive director recognize the importance of addressing the School's admission program and enrollment results. Our current capacity is approximately 130 students and our goal is to move the School closer to capacity. We also recognize the programmatic and financial value of selectively enrolling tuition-paying students not residing in Maine. With the School's recent leadership transition and no additional funds in the current year, there has been limited opportunity to make significant changes that will have an immediate impact on enrollment for the 2024-25 academic year.

Following is an outline of the steps the School has taken to improve our enrollment results:

1) We have reviewed our current practices and consulted with other admission administrators to implement best practices for data collection, tracking, analysis and reporting. While we have significant work to do, we have already professionalized our data gathering and now have an accessible enrollment management report that we update regularly throughout the admission cycle. This report tracks important admission data like enrollment numbers, student demographics, grade breakdown, financial aid, and net tuition/board revenue. Tracking this data and making it accessible to multiple administrators allows us to better shape our student body, make budget decisions based on real and projected admission outcomes, and plan for facilities use.
2) Recognizing that a key component of enrollment is student retention, we are focusing significant time on this important area. It is discussed in more detail below.
3) We have identified several opportunities for visibility - professional conferences for teachers and student activities/competitions - that allow us to promote the School to a large number of potential students and referring teachers. Given limited staff time, we identified this as an efficient way to connect with students and school personnel. In the fall, we had an admission presence at the School Counselor conference in Augusta, First Lego Middle School Maine State Championships. We also had an admission presence at the High School First Robotics State Championship and the Vex Robotics State Championships in the Spring.
4) While the School can only issue one year visas, we have explored the market for

international students for a one year period and have begun the process to re-certify the School for international students. At the same time, we are beginning to explore the potential for creating specialized programming that will serve all of our students well but may also be especially attractive to one-year students.

5) Each year, many domestic students enroll in private boarding schools, with many schools located in New England. We have conducted some market research and believe that MSSM fills a unique niche in this market and may be attractive to some families searching for a boarding school experience. Through work with the Independent Educational Consultant Association and existing relationships with individual consultants, the School has begun to build connections with these consultants who are important referral sources of domestic out-of-state students. Two have visited our campus, several have had in-depth conversations to learn more about what we offer, and several have asked to be added to our regular email newsletter.
6) We formed a Communication Committee to ensure we were communicating regularly on-message and on-brand; launched a new website designed toward recruitment and an external audience, especially potential students and families; standardized our regular email communications and added a consistent newsletter called the "Penguin Pulse;" and are in the process of developing a focused marketing and communications plan.
7) We began to develop partnerships with key Maine organizations that can help direct students. Two good partnerships that we have already begun and are actively developing are with the Roux Institute and with Maine Seacoast Mission.
8) We used some of the additional one-time funds the School will receive next year to hire a new Dean for Enrollment Management who brings admission experience at the high school and college levels. We were pleased to hire a Dean who brings boarding high school and college admission experience to begin in July 2024.

The steps we took required a renewed focus on our admission efforts, fresh experience to help us evaluate our past practices, and revised work expectations for our staff. While we expect that these steps will have some positive impact on our enrollment results, we know that the current level of investment we are able to make in our admission program significantly limits our outcomes. A recurring financial investment in our admission program and financial aid budget would allow us to consider:

1) Our current staffing structure and skill set;
2) Staffing and resources to support a broad outreach directly to schools, students, and families throughout the State;
3) The price point that limits "sticker shock" for Maine families;
4) The financial aid budget necessary to enroll all qualified students regardless of ability to pay
5) The academic factors limiting access and how MSSM can creatively make our excellent academic program available to talented students who have not otherwise had access to the prerequisites for admission to MSSM.

Recognizing that we will need to make this investment but that there will be a lag until enrollment increases, we included a request for one year of funding for the Dean for Enrollment

Management in our biennial budget proposal presented to the Department of Education.

Student Mental Health

Budget

2019/2020	*Payroll Budget*	*Non-Payroll Budget*	*Adopted Budget*	
Academic Support	$181,697.91	$8,560.00	$190,257.91	
Health Services	$70,143.63	$34,749.40	$104,893.03	**$295,150.94**
2020/2021	*Payroll Budget*	*Non-Payroll Budget*	*Adopted Budget*	
Academic Support	$178,354.86	$7,514.00	$185,868.86	
Health Services	$63,252.19	$58,520.00	$121,772.19	**$307,641.05**
2021/2022	*Payroll Budget*	*Non-Payroll Budget*	*Adopted Budget*	
Academic Support	$164,966.46	$5,086.00	$170,052.46	
Health Services	$66,444.44	$63,738.86	$130,183.30	**$300,235.76**
2022/2023	*Payroll Budget*	*Non-Payroll Budget*	*Adopted Budget*	
Academic Support	$206,948.82	$7,540.00	$214,488.82	
Health Services	$103,180.42	$70,680.83	$173,861.25	**$388,350.07**
2023/2024	*Payroll Budget*	*Non-Payroll Budget*	*Adopted Budget*	
Academic Support	**$197,231.24**	**$20,821.05**	**$218,052.29**	
Health Services	**$99,884.07**	**$75,492.33**	**$175,376.40**	**$393,428.69**

Student Support Activities and Update

The mental health needs of teens have been growing since before the pandemic, and have grown exponentially through and since that time. There is a vast body of research that documents this trend. At the same time, there is also evidence that gifted students are susceptible to some tendencies that can impact their feeling of well-being. Our small and supportive community, while creating a welcoming and safe environment, also appeals to students with some social emotional support needs. MSSM's current Board of Trustees, administration, and our entire staff recognize the importance of understanding and supporting our student population.

As our budget illustrates, the School has invested increasingly in student physical and mental health over the last few years. There is a drop in our projected 2024-25 budget - this is due to us eliminating an academic administrative position that was held in our student support budget, not eliminating any of the direct student supports in place. Our plan was to replace that academic position with an additional direct mental health position for the 2024-25 year but we were unable to with the resources available.

The Board of Trustees recognized the need to address student well-being and formed an ad hoc Student Welfare Committee a few years ago. In its early stages, that Committee did some assessments and developed some needed policies and procedures. In its more recent meetings, that Committee has served to receive monthly updates on student well-being on campus and engage Board members, administration, and engaged parent volunteers in generative discussion on ensuring student well-being.

During the 2023-24 year, the School took several steps to continue to improve student well-being, particularly physical and mental health:

1) Recognizing that an institution holds up priorities by where its administration invests its time, the executive director assumed active leadership of the Student Support Team this year - a visible sign of the School's commitment to student well-being. We have shared the message that student well-being is everyone's responsibility at MSSM.
2) Student Support Team membership was revised to include all of the roles essential to ensuring student success. The current membership of the School's Student Support Team consists of the executive director, school social worker, academic support coordinator, special education consultant, school nurse, director of residential life, STEM division leader, and humanities division leader. The team meets weekly to review success plans for students already receiving services and to discuss new students referred to the Student Support Team.
3) In September, the Executive Director worked closely with Maine Department of Education personnel to understand their newly released recommendations for mental health staffing in schools. The DOE was very helpful in developing a model of staffing appropriate for MSSM based on our residential setting and our student population. After re-evaluating the School's outsourced mental health model, we revised our outsourced services and brought on a full time school social worker in January 2024- providing more hours and a consistent presence for our student body.

4) Our residential life team has enhanced our out of classroom programming, including a robust weekend program for varied activities for students.
5) The School reviewed and revised our health day policy, including required adult evaluation (by nurse for physical health and social worker for mental health) and our notification process for parents and guardians. This new process both ensured important safety evaluations in the morning and allowed us to work with students to try to develop plans to limit lost class time when possible - using MSSM's residential campus as an advantage for our students.
6) The School sent a contingent of 5 employees for Gatekeeper Training, and included some training on student mental health in our faculty inservice days.
7) The School improved its tracking mechanisms, allowing all members of the Student Support Team to see the supports being put in place, and implemented Student Success Plans to clearly lay out student expectations and School support efforts for students, families, and staff.

While we continue to have students that experience challenges, we feel the steps we have taken have been helpful to ensuring student well-being on campus. While these steps may not eliminate issues we are confident that they position the School as best possible to identify and respond to student challenges in a way that ensures their safety and supports their success. It is important to recognize that, as the only public boarding school in the State, MSSM faces unique challenges regarding student mental health. No other school assumes responsibility for students 24 hours a day - requiring MSSM to provide supports well beyond what other schools have to provide. The costs of these additional supports assume a growing percentage of the School's static funding.

School Location

MSSM is located in Limestone (Aroostook County) where the School owns a residence hall, 13 nearby homes to house employees, and leases academic space from the town of Limestone. The campus is accessible directly by main roads and all necessary services are readily available to the School. While we recognize there are challenges with our location (as there would be at any location), we value our Limestone location. MSSM offers much more than just classes, or dorm rooms, or sports teams - MSSM offers an experience. It is difficult to relocate an experience because place always plays an important role in creating an experience. It is no different at MSSM.

Limestone Relationship

The history of the relationship between the Town of Limestone, Limestone Community School, and MSSM has varied during the School's 30 year history. We are pleased to report that there is currently a strong and collaborative relationship between these entities. MSSM has partnered on some projects with the Town and maintains a mutually beneficial and collaborative relationship with Limestone Community School. This year, LCS and MSSM partnered to renovate the pool (including the MSSM foundation securing significant private donations to make the project viable for the Town) which ensures a tremendous resource for the Town, LCS, and

MSSM. We established an employee sharing arrangement with LCS that allows both institutions to meet their needs in the most efficient and cost effective manner. As an LCS employee recently expressed in a meeting, we are all excited to see a positive relationship between the two entities and excited for the potential that collaboration brings.

While still in the early stages, there is also potential for mutual benefit in development of the nearby Loring complex. There is a growing recognition of the potential for locating STEM based businesses in that location. MSSM is a valuable educational offering for employees that might relocate to the area; we are looking for ways to engage our students and faculty in real STEM work that could be beneficial to growing businesses; and, those businesses provide rich learning opportunities for our students.

It is important to understand the valuable role that MSSM provides in this community that it would not in a different community. MSSM's impact, and therefore the impact of the Legislature, is outsized here in our Limestone location in a way that would likely be impossible in more populous/less remote areas. Not only does this provide value to the local community, it builds an understanding of the importance of being good community members and encourages civic engagement and a commitment to living in Maine among our student body in a way that would be difficult to replicate in many other locations.

Employee Attraction and Retention

The 2022-23 academic year saw significant transition at MSSM. When MSSM's new executive director arrived in late June 2023, the School needed to hire 7 new faculty members - including three math teachers and two science teachers. This is no easy feat that late in the cycle! However, the School was able to fill these positions with highly qualified and competent teachers who have been a wonderful addition to our School community. They are able to challenge our highest performing students academically and also enjoy engaging with students outside of the classroom. At any residential school, it is important to have adults living on campus - MSSM has some apartments in our residence hall and owns thirteen nearby homes. This is a unique opportunity that would be challenging to replicate in any other location.

There are challenges. Opportunities for employee's spouses and partners are more limited than they might be in areas with greater population which can impact retention. As the School attracts a national faculty, family connections become more distant for many employees, also impacting retention. Some staff positions that draw from the local labor market are challenging to fill in our tight regional market. We are working on ways to address some of these challenges and do not feel that they are detrimental to the School's success at this time. There are some ways we could invest in our employees with additional funding - more competitive salaries could go a long way in addressing some of these challenges, for example.

Local Resources

While MSSM is in a remote area, we also have many important local resources available to us. Caribou is a ten minute drive from MSSM, and provides necessary access to health services for students (and our employees). There is basic shopping available within walking distance for

students and families, and Caribou meets most other shopping needs. Presque Isle, home to the University of Maine at Presque Isle, is about 30 minutes away and offers the amenities associated with a nearby college campus.

While MSSM does not necessarily take full advantage of this currently, there are also unique opportunities for engaging our students in research in our area. Limestone has a vibrant agricultural economy (home of the world's best potatoes, after all!), our landscape and location make us a hub for the burgeoning solar economy, we are not far from some of the sources of exciting work being done in Maine around sustainable fuel production from bio sources, and countless others. Many organizations would value our surroundings for research opportunities and there is significant potential to develop these partnerships.

We do recognize that there are also resources we don't have that would be valuable locally. As we attract a diverse group of employees, the lack of more shopping resources limits our ability to support and celebrate that diversity. Some activities that students are excited to participate in do require us to make longer trips than we would like. Right now, there are a smaller number of local business partnership opportunities for student internships and other engagement opportunities than we would like. And…there isn't a pizza place within walking distance for the students. None of these challenges, however, are insurmountable. They also instill a closer reliance on each other, helping foster community on our campus in a way that would be difficult to replicate elsewhere.

Appendix B: Strategic Plan Vision and Goals

Maine School of Science and Mathematics
2024 Strategic Vision and Goals

"We live on this speck called Earth - think about what you might do, today or tomorrow - and make the most of it" *Neil deGrasse Tyson*

Pillar: Leadership Excellence

Strategic Vision: *MSSM will foster a leadership culture that facilitates generative, forward-looking conversation and empowers the leaders necessary at all levels for MSSM to remain at the forefront of STEM education in the State of Maine and beyond.*

Strategic Goals:

- MSSM will have an efficient and responsive administrative structure with the professional experience to proactively lead a successful STEM magnet school and guide implementation of the Strategic Plan.
- MSSM will have an engaged and informed Board of Trustees that actively promotes the School's mission and prioritizes the success of the School and its Strategic Plan.
- MSSM will continue to strengthen its partnership with the Department of Education and the Maine Legislature.
- MSSM and the MSSM Foundation will model a spirit of organizational collaboration to advance the School's mission and Strategic Plan.

Pillar: STEM Academic Excellence

Strategic Vision: *Building on its rich academic history, MSSM will develop a comprehensive and globally mindful STEM curriculum for the 21st century in Maine that cultivates students into adept problem solvers.*

Strategic Goals:

- MSSM's curriculum will strive for a well-rounded approach, equipping students with the skills and knowledge necessary to thrive in an increasingly interconnected and rapidly evolving world.
- MSSM will be Maine's leader in experiential education by integrating real science work into its curriculum that contributes to the broader community.
- MSSM will create a curriculum that will integrate best practices in teaching trends and research methods, drawing insights from educators worldwide through collaborative platforms and including a robust self-assessment process.
- MSSM will develop strategic partnerships locally, within Maine, nationally, and internationally that will help students understand global problems and propose efficient and ethical solutions.
- MSSM will develop a facilities master plan that identifies the facilities to best support the delivery of its curriculum

Pillar: Intentional Learning Community

Strategic Vision: *MSSM will promote an atmosphere of inquiry and engagement through thoughtful and comprehensive programming that makes full use of the educational potential of our residential campus.*

Strategic Goals:

- MSSM will develop a curricular approach to its residential life program that deliberately programs learning opportunities beyond the classroom.
- MSSM will design job expectations that foster engagement in all areas of a residential school setting.
- MSSM will use its residential status to create unique and engaging academic experiences for our students.
- MSSM will leverage its facilities to create a flexible, relationship-driven learning environment.
- MSSM will foster diversity in its adult and student communities as a learning opportunity for all students.

Pillar: Access and Enrollment

Strategic Vision: *MSSM will implement a creative and comprehensive effort to attain optimal enrollment and facilitate student success in both its 9-12 STEM high school and its STEM summer programs.*

Strategic Goals:

- MSSM will develop a strategic and comprehensive high school admission program that ensures awareness and addresses financial barriers for all Maine students, particularly from underserved rural communities.
- MSSM will develop a strategic out of state domestic and international admission program that diversifies the student body and expands educational opportunities.
- While maintaining its academic expectations, MSSM will ensure its curriculum is accessible to more Maine students.
- MSSM will design its summer programming to increase its reach and grow the number of students served.
- MSSM will work with its Foundation to identify the financial challenges students and families face beyond room and board fees and provide support to address them.

Pillar: Financial Sustainability

Strategic Vision: *MSSM will exhibit a culture of financial excellence by increasing revenues through multiple avenues and enhancing efficiency and effectiveness of operations in order to ensure the viability of its long-term mission.*

Strategic Goals:

- The MSSM Board and administration will strengthen and improve financial management and long-term planning practices.
- MSSM will optimize existing income sources and develop new programs and partnerships to build additional revenue streams.
- MSSM will work closely with its Foundation to ensure its ability to secure private funding to further the work of the School.
- MSSM will ensure all positions have institutionally defined responsibilities and duties and are compensated competitively.
- MSSM will actively participate in the economic success of Limestone, Aroostook County, and the State of Maine

Maine School of Science and Mathematics

2024-25 School Profile

#1 Best Public High School
#1 Best Public High School Teachers
#1 Best College Prep Public High School
#6 Best Public High School Teachers (USA)
Niche.com 2025 Ranking (Maine)

Rob Constantine - Executive Director
Erica Jortberg - College Counselor
Santiago Durango - Admissions
Merideth Usher - Registrar

Maine School of Science and Mathematics (**MSSM**) was founded in 1995 by the Maine Legislature as a public, boarding, magnet high school serving Maine's most academically motivated high school students. At MSSM, students become innovative, well-rounded scholars with the ability to develop, investigate, and communicate critical ideas that improve the human condition and benefit the state of Maine.
MSSM's supportive and inclusive community of 96 students in grades 9-12 is a beacon of academic excellence and consistently achieves exceptional state and national rankings.

Academic Rigor

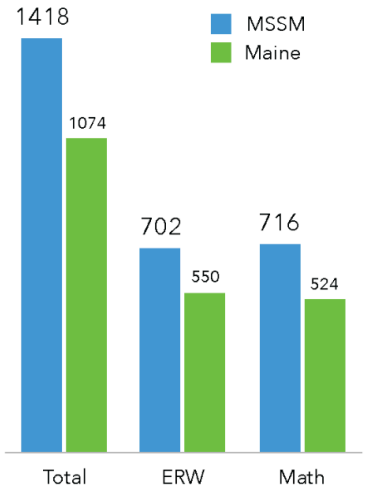
MSSM has a rigorous STEM-based curriculum of advanced science, technology, engineering, and mathematics. MSSM partners with the University of Maine at Presque Isle (UMPI) allowing students to earn college credit for a majority of MSSM courses, all of which are taught at AP or college level using college textbooks and curricular materials. Additionally, MSSM students have the opportunity to earn an UMPI Associates Degree simultaneously while attending MSSM. MSSM does not rank students or weight GPA, encouraging our tight-knit community of scholars to embrace academic collaboration over competition.

MSSM Dual Enrollment Classes Include:

Algebra II/Trigonometry
Applied Genetics & Biotechnology
Art History I
Basic Design
Before Calculus BC
Biological Processes
Calculus BC
Creative Writing I
Early American Literature
Early British Literature
First Year Seminar
French I & II
Honors Composition
Intro to Literature
Intro to Programming
Linear Algebra
Macroeconomics
Multivariable Calculus
Sociology
Spanish I & II
US History

AP courses: Calculus AB and BC, Statistics, Chemistry, English Language and Composition, English Literature and Composition, and Physics C: Electricity & Magnetism

SAT Scores (Mean)



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A Learning Community

MSSM is located in the rural northern town of Limestone (pop. 2,300), just two miles from the Canadian Border. Bangor (pop. 33,000), is a three-hour drive while Maine's largest city, Portland (pop. 66,000), is a six-hour drive. As a testimony to the quality of our education and our students' success at college, admissions officers will often make the trip to visit MSSM in person as well as offering virtual interviews.

Activities at MSSM range from Astronomy Club and Art Club to VEX Robotics and Key Club. MSSM requires two hours per week of community service from students, such as tutoring, assisting faculty, or serving as residential assistants.

MSSM offers the dedicated student-athlete an opportunity to engage in intramural club sports as well as varsity teams including soccer, cross-country, track, and volleyball.

Matriculation: Classes of 2023 & 2024

Arizona State University-Tempe
Bates College *
Boston University *
Bowdoin College *
Brown University
Colby College *
Columbia University in the City of New York
Dartmouth College *
Embry-Riddle Aeronautical University (FL)
Maine Maritime Academy
Massachusetts Institute of Technology
Oberlin College
Pomona College
Reed College
Rice University *
Rochester Institute of Technology *
School of the Art Institute of Chicago
Skidmore College
University of Maine *
University of Massachusetts-Amherst
University of New England
University of New Hampshire
University of Vermont
Wellesley College *
Wentworth Institute of Technology *
Worcester Polytechnic Institute

* multiple matriculations

Distinctive Features and Accolades

- Admission to MSSM is based on academic ability (measured by grades, teacher recommendations, a writing sample, and test scores) and the student's maturity, motivation, and ability to contribute positively to our community.
- In 2024-2025, the student teacher ratio is 9:1.
- Our academic semesters are 4-1-4, with a January Term ("J-Term") providing students an opportunity for intensive study in one of our unique course offerings, research opportunities, or internships.
- 90%+ of faculty hold advanced degrees. Many have terminal degrees, significant private sector experience, and have made substantial contributions in their fields.
- The MSSM math team consistently places first in the Maine State Math Meet (#1 in 2024) with individual students consistently in the top 5%.
- MSSM requires four years of lab-based Science, English, and Mathematics (with a minimum of Calculus), two years of world language, and one year of Social Science, Fine Arts, and History.
- 40% of the class of 2024 received recognition in the 2023 National Merit Scholarship Program.

Grade	Range	Grade	Range	Grade	Range	Grade	Range
A+	97-100	B+	87-89	C+	77-79	F	<70
A	93-96	B	83-86	C	73-76	I	Incomplete
A-	90-92	B-	80-82	C-	70-72	W	Withdrawal

(MSSM does not weight grades or rank students)

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Maine School of Science and Mathematics
FY25 Q1- Actual Revenues & Expenses Compared to Budget

Revenues	Last Year Period *07/1/2023 - 09/30/2023*	Year to Date *07/1/2024 - 09/30/2024*	Adopted Budget *07/1/2024 - 06/30/2025*	Percent Received *7/1/2024 - 09/30/2024*
Interest Income	$84.03	$63.36	$1,400.00	4.5%
Miscellaneous Revenue	$7,016.32	$922.00	$7,000.00	13.2%
State of Maine Appropriations	$903,837.00	$1,028,837.00	$4,115,347.00	25.0%
Tuition (Out of State)	$0.00	$0.00	$39,000.00	0.0%
Student Senate Revenue	$0.00	$172.00	$0.00	
Foundation Revenue	$0.00	$9,900.00	$85,000.00	11.6%
REAP Grant Revenue	$0.00	$0.00	$0.00	
Summer Camp Revenue	$259,580.00	$270,110.24	$246,500.00	109.6%
Room and Board Fees	$365,582.00	$1,017,600.00	$1,091,800.00	93.2%
Room and Board Fees (Out of State)	$0.00	$0.00	$13,200.00	0.0%
FLIK Investment Improvement	$0.00	$0.00	$14,285.71	0.0%
Food Service Contract (LCS)	$0.00	$0.00	$98,230.00	0.0%
Food Service Reimbursement	$548.77	$10,220.27	$67,000.00	15.3%
Vending Machine Revenue	$648.88	$0.00	$1,500.00	0.0%
	$1,537,297.00	$2,337,824.87	$5,780,262.71	40.4%

Expenses	Last Year Period *07/1/2023 - 09/30/2023*	Year to Date *07/1/2024 - 09/30/2024*	Adopted Budget *07/1/2024 - 06/30/2025*	Percent Expended *7/1/2024 - 09/30/2024*
Academic Support	$51,657.99	$48,915.53	$179,346.30	27.3%
Admissions	$22,556.25	$32,377.37	$108,270.94	29.9%
Board of Trustees	$2,321.12	$9,925.81	$59,028.17	16.8%
College Counseling	$17,711.43	$18,592.48	$73,392.12	25.3%
Contingency	$0.00	$0.00	$35,500.00	0.0%
Executive Director	$87,919.73	$48,057.73	$208,058.64	23.1%
Health Services	$42,469.11	$32,954.92	$110,921.12	29.7%
ICT (Computer Tech)	$39,386.27	$60,303.54	$187,159.23	32.2%
Operation of School	$115,456.16	$126,547.72	$598,397.19	21.1%
Operations	$102,478.82	$81,987.77	$247,141.39	33.2%
Public Relations	$5,330.23	$10,902.66	$37,654.66	29.0%
Financial Aid (RSL)	$284,500.00	$275,998.00	$325,000.00	84.9%
Special Education	$13,223.31	$4,895.49	$33,901.00	14.4%
Athletics	$14,632.58	$12,855.80	$72,484.30	17.7%
Student Activities	$0.00	$1,259.89	$42,257.40	3.0%
Teachers	$302,140.76	$301,870.52	$1,311,059.61	23.0%
Trafton (Employee Housing)	$44,539.17	$61,666.24	$89,857.30	68.6%
Transportation	$12,610.38	$15,008.24	$85,689.84	17.5%
Foundation	$574.19	$12,451.02	$60,847.02	20.5%
REAP (ICT Hardware)	$0.00	$5,219.47	$0.00	
Summer Camp	$104,760.89	$233,882.87	$240,771.91	97.1%
Food Service Contract	$151,719.08	$163,721.13	$685,000.00	23.9%
Operation of Dorm	$66,390.14	$70,891.40	$302,574.14	23.4%
Residential Life	$68,241.69	$58,681.82	$218,958.63	19.4%
Vending Machine	$655.35	$211.00	$1,000.00	21.1%
One Time Expenses	n/a	$174,121.73	$465,991.81	37.4%
Total Expenses	$1,551,274.65	$1,863,300.15	$5,780,262.71	32.2%

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

FINANCIAL STATEMENTS

JUNE 30, 2024

Chester M. Kearney, Certified Public Accountants

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MAINE SCHOOL OF SCIENCE AND MATHEMATICS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024

UNAUDITED

The management of the Maine School of Science and Mathematics (MSSM) is providing the following discussion and analysis of the financial activities for the year ended June 30, 2024. The MSSM is a component unit of the State of Maine located in Limestone, Maine.

Report Layout

The management's discussion and analysis is intended to make reports more understandable, easier to read, comprehensible and to explain significant changes and financial positions between the current and prior year.

Financial Highlights

- Total net position decreased by $374,667 due to a decrease in governmental activities of $374,667 and no change in business-type activities.
- Total revenues of $5,258,843 are comprised of $3,750,382 in governmental activities revenues and business type revenues of $1,508,461.
- MSSM had total expenditures of $5,633,510.
- Based on guidance from the Maine State Legislature and Maine Attorney General's office, management determined that it would be appropriate to eliminate deficits in the business-type activities funds by making transfers from the general fund. This is reflected by transfers to and from the individual funds in the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of two distinct series of financial statements: government-wide and fund statements.

Government-wide Financial Statements

The government-wide financial statements are designed to show the School as a sum of its significant fund activities. The Statement of Net Position and Statement of Activities provide information about the governmental-type activities of the whole school, presenting both an aggregate view of School finances and a longer-term view of those finances.

While this report contains a breakdown of funds used by the School to provide programs and activities, the view of the School as a whole looks at all the financial transactions and asks the question "how did we do financially during the fiscal year 2024?" The Statement of Net Position and Statement of Activities provide the basis for answering this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report MSSM's net position and changes in the School's net position. This change is important because it tells the reader if the financial position of the School as a whole has improved or diminished.

Fund Financial Statements

Fund financial reports provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School's most significant funds with all other non-major funds presented in total in a single column.

Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major funds include the General Fund, Foundation Fund, Summer Camp Program Fund and Cost of Residential Life Fund.

Most of the School's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds is reconciled in the financial statements.

The Summer Camp Program and Cost of Residential Life Funds will appear in the Proprietary (Enterprise) Funds. These funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information in the statements for the School as a whole.

THE SCHOOL AS A WHOLE

In the Statement of Net Position and the Statement of Activities, the School is divided into two distinct kinds of activities:

Governmental Activities – Most of the School's programs and services are reported here including instruction, support services, operations and finance, and extracurricular activities.

Business-type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. For the year ended June 30, 2024 the School's Summer Camp Program and Cost of Residential Life are reported as business activities.

The Statement of Net Position provides the prospective of the School as a whole. Table 1 provides condensed data of the Statements of Net Position for the fiscal years ended 2024 and 2023.

Table 1

Net Position
(in thousands)

	Governmental		Business-Type		Total	
	2024	2023	2024	2023	2024	2023
Current assets	400	642	7	44	407	686
Due from other funds	-	-	206	217	206	217
Net capital assets	2,347	2,473			2,347	2,473
Total Assets	2,747	3,115	213	261	2,960	3,376
Deferred outflows	67	88	73	-	140	88
Current Liabilities	257	230	63	64	320	294
Due to other funds	206	217	-	-	206	217
Long-term Liabilities	155	162			155	162
Total Liabilities	618	609	63	64	681	673
Deferred inflows	179	223	223	197	402	420
Net Position						
Investment in capital assets, net	2,334	2,453			2,334	2,453
Restricted	32	2			32	2
Unrestricted	(349)	(84)	-	-	(349)	(84)
	2,017	2,371	-	-	2,017	2,371

Table 2 shows the changes in net position for the fiscal years 2024 and 2023.

Table 2

Changes in Net Position
(in thousands)

	Governmental		Business-Type		Total	
Revenues:	2024	2023	2024	2023	2024	2023
Program Revenues						
Tuition & fees		69	1,456	1,364	1,456	1,433
Grants and contributions	106	111	52		158	111
General Revenues						
State subsidy	3,615	3,615			3,615	3,615
Interest		1				1
Other	29	14			29	14
Total Revenues	3,750	3,810	1,508	1,364	5,258	5,174
Program Expenses:						
Instruction	1,304	1,390			1,304	1,390
Support Services	668	582			668	582
Administration	690	771			690	771
Financial aid	282	203			282	203
Operation of School	590	573			590	573
Summer camp			312	233	312	233
Residential life			1,513	1,304	1,513	1,304
Other	274	333			274	333
Total Operating Expenses	3,808	3,852	1,825	1,537	5,633	5,389
Loss on property held for sale		(50)				(50)
Transfers	(317)	(1,178)	317	1,178		
Change in Net Position	(375)	(1,270)	1,005	1,005	(375)	(265)

The Statements of Cash Flows are included, which discloses net cash provided by, or used in operating activities, noncapital financial activities, and from capital and related financing activities. From these statements, the reader can obtain comparative information on the sources and uses of cash for the reported year.

Governmental Activities for the School as a Whole

The Statement of Activities reflects the cost of program services and charges for services and sales, grants, and contributions offsetting those services. The statement shows the total cost of services and the net cost of services. It identifies the cost of these services supported by unrestricted subsidies from the State of Maine and other revenue.

The state subsidy was the major source of revenue for governmental activities at 96%. Various grants provided 3% of the governmental revenues while other revenues made up 1% of total revenues.

The Schools' Funds

MSSM's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of $3,750,382 and expenditures of $3,748,893. This resulted in an increase in the fund balance of $1,489 from operations.

General Fund Budgeting Highlights

MSSM's budget is prepared according to Maine law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

Capital Assets

At the end of fiscal year 2024, MSSM had $2,346,431 invested in buildings and improvements, equipment and vehicles, net of accumulated depreciation. During the 2023-24 school year the School purchased no new capital assets. Capital assets were reduced by depreciation expense of $126,140. Note #4 shows capital assets, net of accumulated depreciation.

Debt

As of June 30, 2024, MSSM's long-term debt consisted of a note payable. Total outstanding balance on the bond was $19,650 as of June 30, 2024. Note #5 provides additional detail on long-term debt.

Challenges and Opportunities for the Future

There are many factors that affect the school's bottom line including enrollment fluctuation, building costs and staffing costs. We recognize that our sustained downturn in enrollment and static state funding are on-going challenges that have negatively impacted our fund balance. We have attempted to minimize deferred maintenance but also recognize that we are nearing expected life on some larger maintenance items that we will need to prepare for.

Opportunities include development of alternative revenue streams and increased visibility and marketing directed toward out-of-state students. We have continued to improve our school's presence in the media through a focus on public relations. Our summer camp program continues to be an excellent outreach for the goals of our organization.

Efforts are also being made to reduce the cost of residential life which includes the cost of housing and feeding students while continuing to provide quality housing and meals.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. Questions about this report or additional financial information need to be directed to Rob Constantine, Executive Director, at 95 High Street, Limestone, Maine 04750.

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees of the
Maine School of Science of Mathematics

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maine School of Science and Mathematics, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Maine School of Science and Mathematics, as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Maine School of Science and Mathematics and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maine School of Science and Mathematics ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Maine School of Science and Mathematics' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Maine School of Science and Mathematics' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages I through VI, budgetary comparison information on page 28 and the schedule of employer's pension contributions and schedule of employer's share of net pension liability and required notes to the GASB #68 required schedules on pages 29 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing

the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements which collectively comprise the Maine School of Science and Mathematics' basic financial statements as a whole. The accompanying supplementary information on pages 31 through 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2024 on our consideration of the Maine School of Science and Mathematics' internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maine School of Science and Mathematics' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Maine School of Science and Mathematics' internal control over financial reporting and compliance.

Other Reporting Required by the Maine School Finance Act

In accordance with the Maine School Finance Act, we have also issued our report dated September 27, 2024 on our consideration of the Maine School of Science and Mathematics' compliance with the requirements of the Maine School Finance Act. The purpose of that report is solely to describe the scope of our testing of compliance with the Maine School Finance Act.

Chester M. Kearney

Presque Isle, Maine
September 27, 2024

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and cash equivalents	$ 319,844	$ -	$ 319,844
Accounts receivable (net of allowance for doubtful accounts)	80,503	6,858	87,361
Total current assets	400,347	6,858	407,205
Non-Current Assets			
Capital assets-net of accumulated depreciation	2,346,431	-	2,346,431
Due from governmental activities	-	206,415	206,415
Total non-current assets	2,346,431	206,415	2,552,846
Total assets	2,746,778	213,273	2,960,051
Deferred outflows of resources			
Fiscal year 2024/25expenditures	-	73,007	73,007
Pension related expenditures	67,480	-	67,480
Total deferred outflows of resources	67,480	73,007	140,487
Total assets and deferred outflows of resources	$ 2,814,258	$ 286,280	$ 3,100,538
Current Liabilities			
Accounts payable	73,626	59,094	132,720
Accrued expenses	80,625	-	80,625
Contracts payable	95,496	-	95,496
Deposits	-	3,575	3,575
Current portion of long-term debt	7,641	-	7,641
Total current liabilities	257,388	62,669	320,057
Long-term liabilities			
Long-term debt, net of current portion	4,524	-	4,524
Due to business-type activities	206,415	-	206,415
Pension liabilities	149,541	-	149,541
Total long-term liabilities	360,480	-	360,480
Total liabilities	617,868	62,669	680,537
Deferred inflows of resources			
Pension related inflows	67,200	-	67,200
Fiscal year 2023/24 revenues	2,049	-	2,049
Summer camp 2024 revenue	-	223,611	223,611
Food service contract	109,854	-	109,854
Total deferred inflows of resources	179,103	223,611	402,714
Total liabilities and deferred inflows of resources	796,971	286,280	1,083,251
Net Position			
Net investment in capital assets	2,334,266	-	2,334,266
Restricted	32,290	-	32,290
Unrestricted	(349,269)	-	(349,269)
Total net position	$ 2,017,287	$ -	$ 2,017,287

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities						
Instruction						
Teachers	$ 1,236,160	-	$ -	$ (1,236,160)	-	$ (1,236,160)
Special Education	67,370	-	-	(67,370)	-	(67,370)
Student support services	668,020	-	106,234	(561,786)	-	(561,786)
Financial aid expense	282,270	-	-	(282,270)	-	(282,270)
Information and computer technology	173,044	-	-	(173,044)	-	(173,044)
Admissions	109,012	-	-	(109,012)	-	(109,012)
Board of trustees	7,806	-	-	(7,806)	-	(7,806)
Director's office	272,894	-	-	(272,894)	-	(272,894)
Operations, finance and administration	301,161	-	-	(301,161)	-	(301,161)
Public relations and development	27,646	-	-	(27,646)	-	(27,646)
Operation of school	590,639	-	-	(590,639)	-	(590,639)
Trafton Expense	94,885	-	-	(94,885)	-	(94,885)
Transportation	36,641	-	-	(36,641)	-	(36,641)
Pension expense (recovery)	(59,237)	-	-	59,237	-	59,237
Total governmental activities	$ 3,808,311	$ -	$ 106,234	$ (3,702,077)	$ -	$ (3,702,077)
Business-type activities						
Summer Camp	312,458	281,785	-	-	(30,673)	(30,673)
Cost of residential life	1,512,741	1,174,555	52,121	-	(286,065)	(286,065)
Total business-type activities	1,825,199	1,456,340	52,121	-	(316,738)	(316,738)
Total primary government	$ 5,633,510	$ 1,456,340	$ 158,355	$ (3,702,077)	$ (316,738)	$ (4,018,815)
General revenues:						
State subsidy				3,615,347	-	3,615,347
Interest income				473	-	473
Other				28,328	-	28,328
Total general revenues				3,644,148	-	3,644,148
Interfund transfers				(316,738)	316,738	
Change in net position				(374,667)	-	(374,667)
NET POSITION - JULY 1, 2023 (restated)				2,391,954	-	2,391,954
NET POSITION - JUNE 30, 2024				$ 2,017,287	$ -	$ 2,017,287

See accompanying notes to basic financial statement

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2024

	Major Funds				
	General Fund	Foundation Fund (Major fund)	Non-Major Special Revenue Funds	Total Special Revenue Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 319,844		$ -	$ -	$ 319,844
Accounts receivable (net of allowances for doubtful accounts of $0)	-	80,503		80,503	80,503
Due from other governments	-			-	-
Due from other funds	46,164			-	46,164
Total assets	366,008	80,503	-	80,503	446,511
Deferred outflows of resources					
Fiscal year 2024/25 expenditures			-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 366,008	$ 80,503	$ -	$ 80,503	$ 446,511
Liabilities					
Accounts payable	$ 73,626			$ -	$ 73,626
Accrued expenses	80,625			-	80,625
Contracts payable	95,496			-	95,496
Due to other funds	206,415	46,164		46,164	252,579
Total Liabilities	456,162	46,164	-	46,164	502,326
Deferred inflows of resources					
Deferred food service contract	109,854				109,854
Fiscal year 2024/25 revenues	-	2,049		2,049	2,049
Total deferred inflows of resources	109,854	2,049	-	2,049	111,903
Total liabilities and deferred inflows of resources	566,016	48,213	-	48,213	614,229
FUND BALANCES					
Restricted					
Grants	-	32,290		32,290	32,290
Unrestricted					
Unassigned	(200,008)			-	(200,008)
Total fund balances	(200,008)	32,290	-	32,290	(167,718)
Total liabilities, deferred inflows of resources and fund balances	$ 366,008	$ 80,503	$ -	$ 80,503	$ 446,511

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Major funds				
	General Fund	Foundation Fund (Major fund)	Non-Major Special Revenue Funds	Total Special Revenue Funds	Total Governmental Funds
REVENUES					
Federal and State assistance	$ 3,615,347		$ -	$ -	$ 3,615,347
Investment and interest earnings	473		-	-	473
Other	28,328	103,493	2,741	106,234	134,562
Total revenues	3,644,148	103,493	2,741	106,234	3,750,382
EXPENDITURES					
Current					
Instruction					
Teachers	1,218,210			-	1,218,210
Special education	67,370			-	67,370
Student support services					
College counseling	78,286			-	78,286
Health services	152,499			-	152,499
Academic support	222,862			-	222,862
Athletics	54,554			-	54,554
Other	57,496	102,323		102,323	159,819
Financial aid	282,270			-	282,270
Information and computer technology	173,044			-	173,044
Admissions	109,012			-	109,012
Board of trustees	7,806			-	7,806
Director's office	271,929			-	271,929
Operation, finance and administration	301,161			-	301,161
Public relations and development	27,646			-	27,646
Operation of school	483,414			-	483,414
Trafton expense	102,370			-	102,370
Transportation	36,641			-	36,641
Total expenditures	3,646,570	102,323	-	102,323	3,748,893
Transfers from other funds	20,674		3,816	3,816	24,490
Transfers to other funds	(320,554)		(20,674)	(20,674)	(341,228)
Total other financing sources (uses)	(299,880)	-	(16,858)	(16,858)	(316,738)
Net change in fund balances	(302,302)	1,170	(14,117)	(12,947)	(315,249)
FUND BALANCES - JULY 1, 2023 (Restated)	102,294	31,120	14,117	45,237	147,531
FUND BALANCES - JUNE 30, 2024	$ (200,008)	$ 32,290	$ -	$ 32,290	$ (167,718)

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET

TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Total fund balance, governmental funds		$ (167,718)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		2,346,431
Liabilities, Deferred outflows of resources and deferred inflows of resources related to pensions are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
Deferred outflows of resources - pension related expenditures	$ 67,480	
Deferred inflows of resources - pension related inflows	(67,200)	
Pension liabilities	(149,541)	(149,261)
Some liabilities, (such as Notes Payable, and Long-term Compensated Absences), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(12,165)
Net Position of Governmental Activities in the Statement of Net Position		$ 2,017,287

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds:		$ (315,249)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Pension expense reported under GASB #68 is not reported in the governmental funds		59,237
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Depreciation expense	(126,140)	(126,140)
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Payments on long-term debt		7,485
Change in net position of governmental activities		$ (374,667)

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENTS OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2024

	Summer Camp	Cost of Residential Life	Total
Current assets			
Cash and cash equivalents	$ -	$ -	$ -
Accounts receivable, net of allowance for uncollectible accounts of $5,000 (Note #3)	-	6,858	6,858
Due from other funds	150,604	55,811	206,415
Total current assets	150,604	62,669	213,273
Deferred outflows of resources			
FY 2024/25 expenditures	73,007	-	73,007
Total deferred outflows of resources	73,007	-	73,007
Current liabilities			
Accounts payable	-	59,094	59,094
Deposits	-	3,575	3,575
Total current liabilities	-	62,669	62,669
Long-term liabilities			
Due to other funds	-	-	-
Total long-term liabilities	-	-	-
Total liabilities	-	62,669	62,669
Deferred inflows of resources			
Summer camp 2024 revenue	223,611	-	223,611
Total deferred inflows of resources	223,611	-	223,611
NET POSITION			
Unrestricted	-	-	-
Total net position	$ -	$ -	$ -

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR YEAR ENDED JUNE 30, 2024

	Summer Camp	Cost of Residential Life	Total
REVENUES			
Fees for services	$ 259,580	$ -	$ 259,580
Federal and State assistance	-	52,121	52,121
Room and board	-	1,081,500	1,081,500
Food contract	-	79,729	79,729
Other	22,205	13,326	35,531
Total operating revenues	281,785	1,226,676	1,508,461
OPERATING EXPENSES			
Salaries and benefits	127,995	326,590	454,585
Supplies	53,555	25,508	79,063
Heat and utilities	-	110,268	110,268
Repairs and maintenance	-	16,325	16,325
Contract services	67,410	991,560	1,058,970
Advertising	4,835	-	4,835
Transportation	-	-	-
Travel	17,096	12,632	29,728
Financial aid	36,130	-	36,130
Bad debt expense	-	29,684	29,684
Other operating costs	5,437	174	5,611
Total operating expenses	312,458	1,512,741	1,825,199
Operating income (loss)	(30,673)	(286,065)	(316,738)
Income (loss) before transfers	(30,673)	(286,065)	(316,738)
Transfers in	30,673	286,065	316,738
Change in net position	-	-	-
Total net position - July 1, 2023	-	-	-
Total net position - June 30, 2024	$ -	$ -	$ -

See accompanying notes to basic financial statements

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

STATEMENTS OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Summer Camp	Cost of Residential Life	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from fees	$ 314,250	$ 1,169,874	$ 1,484,124
Received from other governments	$ -	$ 52,121	$ 52,121
Other cash received	22,205	4,856	27,061
Payments for salaries and benefits	(127,995)	(326,590)	(454,585)
Payments to suppliers for goods and services	(257,198)	(1,178,442)	(1,435,640)
Net cash used in operating activities	(48,738)	(278,181)	(326,919)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	48,738	278,181	326,919
Net cash provided by non-capital financing activities	48,738	278,181	326,919
Net change in cash and cash equivalents	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1, 2023	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30, 2024	$ -	$ -	$ -
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	$ (30,673)	$ (286,065)	$ (316,738)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
(Increase) decrease in the following assets			
Accounts receivable		36,809	36,809
(Increase) decrease in deferred outflows of resources	(72,685)		(72,685)
Increase (decrease) in the following liabilities			
Accounts payable and other accrued liabilities	(50)	7,709	7,659
Deposits	-	(8,470)	(8,470)
Increase (decrease) in deferred inflows of resources	54,670	(28,164)	26,506
Net cash used in operating activities	$ (48,738)	$ (278,181)	$ (326,919)

See accompanying notes to basic financial statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Maine School of Science and Mathematics is a public school providing a curriculum in advanced mathematics, science and humanities. The School provides a dormitory and a cafeteria for its students in order to enhance the educational experience of its students. The Maine School of Science and Mathematics is a component unit of the State of Maine as determined by generally accepted accounting principles.

The School's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The following is a summary of significant accounting policies used by the School.

Government-Wide Statements

The statement of net assets and the statement of activities display information about the School as a whole. These statements include the financial activities of the School as a whole, except the fiduciary activities. These statements distinguish between the governmental and business-type activities of the School. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external users.

In the government-wide Statement of Net Position the governmental and business-type activities are presented on a consolidated basis and are reported on the full accrual, economic resource basis, which recognizes all the long-term assets and receivables as well as long-term debt and obligations. The School's net position is reported in three parts – investment in capital assets net of related debt, restricted net assets and unrestricted net assets.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The School does not allocate indirect expenses to functions in the statement of activities. The Statement of Activities reduces gross expenses, including depreciation, by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or School. Operating grants include operating-specific and discretionary grants. The School had no capital grants for the year ended June 30, 2024. Revenues that are not classified as program revenues, including state subsidies, are presented as general revenues.

The net costs by School are normally covered by general revenues. The government-wide focus is on the sustainability of the School as an entity and the change in the School's net position resulting from the current year's activities.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Fund Financial Statements

Fund financial statements provide information about the School's funds including its fiduciary fund. Each individual fund is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures. Separate statements for each fund category – governmental, propriety, if any, and fiduciary, if any, are presented.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources. This approach differs from the manner in which the government-wide statements are prepared. For this reason, a reconciliation is presented with brief explanations to identify the differences between the two sets of financial statements.

All proprietary funds are accounted for using the economic resources measurement focus as used in the government-wide statements. Propriety fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The emphasis in fund financial statements is on the major funds in the governmental or business-type activities' categories. Non-major funds by category are summarized into a single column. GASB #34 sets forth minimum criteria based on the size of the funds for the determination of major funds. School management may also choose to designate additional funds as major funds based on other criteria. The non-major funds are combined in one column in the fund financial statements.

The following funds are reported as major funds by the School:

Governmental Funds

General Fund - To account for all financial resources except those required to be accounted for in another fund. The general fund is the School's operating fund.

Foundation Fund – To account for all revenues provided to the School by the MSSM Foundation and the related expenditures from that fund.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Proprietary Funds

Summer Camp and the Cost of Residential Life are considered major proprietary funds.

Formal budgetary accounting is employed as a management control for all funds of the School. Annual operating budgets are adopted and amended as necessary for the General Fund. Budgetary control is exercised at the department level. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used where purchase orders, contracts and other commitments for the expenditure of resources are recorded to ensure that portion of the fund balance is utilized for its intended purposes. In the General Fund, for budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as assignments of fund balance and do not constitute expenditures or liabilities because the commitment will be honored during the subsequent year.

GASB Statement No. 54, establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. In the fund financial statements, fund balance is reported as follows:

- Non-spendable-Items that are either not in spendable form or legally or contractually required to remain intact. The School does not report any non-spendable fund balance.
- Restricted fund balance-Resources that have constraints imposed by either creditors, grantors, contributors or laws and regulations of other governments; or amounts that have very stringent conditions imposed by external parties or law.
- Unrestricted fund balance-Has 3 components:
    - Committed fund balance-Amounts with internally imposed restrictions mandated by the government's highest level of decision-making authority which require action from that authority to be redeployed. In the case of the School this authority lies with the Board of Trustees.
    - Assigned fund balance-Amounts that are constrained by the government's intent that they will be used for specific purposes. Decision making authority with respect to these amounts lies with the Board of Trustees but is not reserved to the highest-level authority. The School has assigned the fund balance related to the summer camp program.
    - Unassigned fund balance-This is the residual balance of the general fund which represents the remaining fund balance after allocation to the other fund balance categories. It reflects resources that are available for further appropriation and expenditure for general governmental purposes.

When restricted and other fund balances are available for use, it is the School's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured.

Proprietary funds use the full accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Financial Statement Amounts

Cash and Temporary Investments

Available cash is deposited in interest bearing accounts to as great a degree as possible. These residual investments are classified for reporting purposes as cash and temporary investments. Earnings from these investments are reported by the applicable funds. Deposits with a maturity of three months or less are included in cash and temporary investments for financial reporting purposes.

Capital Assets

Capital assets purchased or acquired with an original cost of $2,500 or more are reported at actual or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method over the estimated useful lives of 5 to 10 years on equipment, 20 years for leasehold improvements and 50 years for buildings and improvements.

Deferred Outflows of Resources

The School reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. The School will not recognize the related expenditures until a future event occurs. The School's deferred outflows of resources are detailed in Note #6 and #7.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Deferred Inflows of Resources

The School reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. The School will not recognize the related revenues until a future event occurs. The School's deferred inflows of resources are detailed in Notes #6 and #7.

Operating Revenues and Expenses

Operating revenues consist of amounts generated directly from the primary activity of the School's proprietary funds. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) CASH AND TEMPORARY INVESTMENTS

Deposits with financial institutions are subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School's investment policy is to invest in regional banks and federal securities and to insure the funds to as great a degree as possible. The School's checking deposits at year-end were covered by Federal Depository Insurance Corporation (FDIC) or collateralized by U.S. Governmental Agency securities held in the School's name.

The School's cash is categorized to give an indication of the level of risk assumed by the School at year-end. These categories are defined as follows:

Category #1 – Insured or collateralized with securities held by the School or by its agency in the School's name.
Category #2 – Collateralized with securities held by the pledging financial institution's trust School or agent in the School's name.
Category #3 – Uncollateralized, which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust School or agent but not in the School's name.

As of June 30, 2024 the School had $356,882 on hand at a local financial institution which included $100,110 held in insured cash sweep (ICS) accounts. The School's entire balances are classified as Category 1.

(3) ACCOUNTS RECEIVABLE

Accounts receivable is reported net of the allowance for doubtful accounts. The School monitors individual accounts receivable and charges delinquent balances to the allowance for doubtful accounts when the following criteria are met:

- Account is over 120 days past due
- No attempt has been made by the student/customer to make payment arrangements
- No response has been given to the School's collection attempts

Allowance for doubtful accounts as of June 30, 2024 is as follows:

General fund	$ 0
Proprietary fund (Cost of Residential Life)	5,000
	$ 5,000

Accounts receivable consists primarily of amounts due from students for room and board and other charges.

(4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets Being Depreciated				
Buildings and improvements	3,773,727			3,773,727
Leasehold improvements	161,959			161,959
Equipment	849,366			849,366
Furniture and fixtures	309,585			309,585
Total at historical cost	5,094,637			5,094,637
Less Accumulated Depreciation				
Buildings and improvements	1,546,861	86,823		1,633,684
Leasehold improvements	78,669	10,767		89,436
Equipment	753,219	19,940		773,159
Furniture and fixtures	294,917	8,610		303,527
Total Accumulated Depreciation	2,673,666	126,140		2,799,806
Land (Not depreciated)	51,600			51,600
Capital assets, net	2,472,571	(126,140)		2,346,431

(4) CAPITAL ASSETS (cont'd.)

Depreciation expense was charged to functions in the statement of activities as follows:

Governmental activities:	
Instruction	17,950
Operation of school and dorms	107,225
Administration	965
	126,140

(5) LONG-TERM DEBT

As of June 30, 2024 long-term debt consisted of:

Note payable to Katahdin Trust Company in monthly installments of $651, in principal and interest at 2% APR, matures January 2026, unsecured.	12,165
	12,165

Future long-term debt obligations are as follows for the year ended June 30, 2024:

	PRINCIPAL	INTEREST	TOTAL
2025	7,641	174	7,815
2026	4,524	25	4,549
	12,165	199	12,364

In August 2024 the School paid off the note in full.

Long-term debt activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Advances	Payments	Ending Balance
Note payable	19,650	0	7,485	12,165
	19,650	0	7,485	12,165

(6) DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Expenditures made for future school years and summer camps held after June 30 and expenditures related to Maine PERS are characterized as deferred outflows of resources.

The School receives advances of out of state tuition, room and board and other receipts, which have been characterized as deferred inflows of resources in the accompanying financial statements.

(7) EMPLOYEES' RETIREMENT PLAN

Teachers, some school secretaries, administrators, tutors, substitutes and education technicians are participants in the Maine Public Employees Retirement System (MainePERS). Some participants are included in the MainePERS Consolidated Participating Local Districts Plan (PLD) while others are part of the State Employees and Teacher Plan (SET).

The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PLDs Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333 or by calling (800) 451-9800.

PLD Plan

Benefits provided – The plan provides retirement with annual cost-of living adjustments to plan members and beneficiaries. The plan provides defined retirement benefits based on the members' average final compensation and service credit earned as of retirement. Employees covered under this plan become vested after five years of service. For PLD members, normal retirement age is 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. MainePERS also provides disability and death benefits which are established by contract with the PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statue. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5%.

Description of Funding Policy – Participants contributed 6.95% of their wages to the plan in FY 23/24 and will contribute 6.75% in FY 24/25. The School contributed 10.2% of participant wages to the plan in FY 23/24 and will contribute 9.9% in FY 24/25.

(7) EMPLOYEES' RETIREMENT PLAN (cont'd.)

SET Plan

Plan Description – The SET plan is a cost sharing plan with a special funding situation established by the Maine State Legislature. MainePERS provides the retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine State Legislature.

Benefits provided – The plan provides defined retirement benefits based on the members' average final compensation and service credit earned as of retirement. Employees covered under this plan become vested after five years of service. For SET plan members, normal retirement age is 60, 62 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. MainePERS also provides disability and death benefits which are established by contract with the PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with state statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5%.

Description of Funding Policy – Participants are required, by state statute, to contribute 7.65% of their compensation to the retirement system. For employees compensated through federal pass-through grants, the School contributes amounts determined by the State of Maine. The School is required to contribute toward the UAL of the plan and pay a percentage of payroll towards the administrative costs for federally funded teachers, which amounted to 15.10% in FY 23/24.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions –

On June 30, 2024, the School reported a pension liability of $149,541 for its proportionate share of the Net Pension Liability, all of which was attributable to the PLD plan. The school's proportionate share of the SET liability was $0 while the State's proportionate liability attributed to the School was $1,743,893 and the state made on-behalf payments to the plan in the amount of $309,103 attributable to the School. The Net Pension Liability was measured as of June 30, 2023 and the total MainePERS pension liability used to calculate the School's Net Pension Liability was determined by an actuarial valuation as of that date. For the year ended June 30, 2024, the School recognized pension expense recovery of $59,237 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

(7) EMPLOYEES' RETIREMENT PLAN (cont'd.)

On June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	39,718	
Difference between expected and actual experience	27,762	
Difference between projected and actual earnings		25,376
Changes of assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions		41,824
	67,480	67,200

$39,718 is reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2024	4,640
2025	(31,278)
2026	25,738
2027	1,180
	280

Discount Rate

The discount rate used to measure the collective pension liability was 6.5% for 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at the contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2023, the measurement date, would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.5% for the PLD Consolidated Plan.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
$409,752	$149,541	($65,113)

(7) EMPLOYEES' RETIREMENT PLAN (cont'd.)

Changes in Net Pension Liability

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2024 with the following exceptions:

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For the measurement date of June 30, 2023 this was 9 years for the PLD plan.

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2024 valuation were based on the results of an actuarial experience study for the period of June 30, 2015 to June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 30, 2024.

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized as pension expense straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Rate of return

The long-term rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the largest asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

(7) EMPLOYEES' RETIREMENT PLAN (cont'd.)

Asset Class	Target Allocation	Long-term expected real rate of return
Public equities	30.0%	6.0%
US Government	7.5	2.3
Private equity	15.0	7.6
Real assets:		
Real estate	10.0	5.2
Infrastructure	10.0	5.3
Natural resources	5.0	5.0
Traditional credit	7.5	3.0
Alternative credit	5.0	7.2
Diversifiers	10.0	5.9

(8) OTHER POST-EMPLOYMENT BENEFITS

The School participates in the MainePERS retiree group life insurance program. As of the program's June 30, 2023 measurement date, the School's proportionate share of the OPEB liability was $33,538 and on-behalf payments made during the year were $4,600. 100% of this liability is allocated to the State of Maine.

(9) BUILDING USE AGREEMENT

The School has entered into a building-use agreement with the Town of Limestone dated August 24, 2023 which has provisions to renew annually. The agreement provides for the exclusive use of various classrooms and other areas in the schools by the Maine School of Science and Mathematics. Either party may terminate this agreement by providing a twelve-month written notice. During the 2023-24 school year the School paid $214,750 for the facility lease and $214,750 for operating and maintenance costs and custodial services. The lease rate for the 2024-25 school year increased to $444,318 per the terms of a one-year lease agreement signed April 25, 2024.

(10) CONCENTRATIONS

State funding

The School received approximately 96% of its operating revenue from state funding for the year ended June 30, 2024. The ability to continue its operations is dependent on continued appropriations from the State.

(11) INTERFUND BALANCES

Prior to the year ended June 30, 2012 the Summer Camp program and the Cost of Residential Life were accounted for in the School's General Fund. Beginning July 1, 2011, the School established proprietary funds to account for these activities, however capital assets and long-term debt related to the cost of the dormitory continue to be reported in the governmental activities rather than the business-type activities. At the end of the 2023 school year management determined that amounts due to the general fund from the enterprise funds could not be repaid and the general fund forgave the amounts due. Management believes that this is permissible based on new guidance from the Maine State Legislature. The general fund transferred $30,673 and $286,065 to the Summer Camp fund and Cost of residential life fund on June 30, 2024, respectively, to offset each fund's 2023-24 operating loss.

(11) INTERFUND BALANCES (cont'd)

As of June 30, 2024, the Summer Camp fund was owed $150,604 by the general fund. The Cost of Residential life fund was owed $55,811 by the general fund. No repayment terms have been established for the interfund balances.

(12) SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through September 27, 2024, the date the financial statements were available to be issued. Management has determined that the following disclosure is required related to subsequent events.

Solar Project – In August 2024 the School paid the Town of Limestone $162,577 for 43% ownership in a solar farm that will be co-owned with the Town of Limestone. The School will receive 43% of the ensuing generation credits from the solar farm.

(13) FAIR VALUE OF FINANCIAL INSTRUMENTS

The School has a number of financial instruments, none of which are held for trading purposes. The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the School could realize in a current market exchange.

(14) TAXES

As a governmental entity, the School is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

The School is subject to Federal and State payrolls and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of June 30, 2024. No examinations have been conducted by the Federal or State taxing authorities and no correspondence has been received from these authorities.

(15) LEASES

The School follows GASB #87 in regard to reporting leases. The policy is applied to contracts entered or changed, on or after July 1, 2021. The School assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the School assesses whether; the contract involves the use of an identified asset, if the School has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use and if the School has the right to direct the use of the asset. The School recognizes a right of use asset and a lease liability at the lease commencement date.

(15) LEASES (cont'd.)

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those for property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the School's incremental borrowing rate. Generally, the School will use the incremental borrowing rate as the discount rate. The School has elected not to separate non-lease components of the contract and account for the lease and non-lease components as a single lease component.

When the School acts as a lessor, it determines at lease inception whether each lease is classified as a short-term lease, a contract that transfers ownership, or all other leases. Under GASB #87 a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. If the underlying asset transfers ownership to the lessee by the end of the contract, the transaction should be reported as a financed purchase of the underlying asset by the lessee, or sale of the asset by the lessor. GASB #87 requires the recognition of lease payments received under short-term financing leases as income on a straight-line basis over the lease term.

A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to extend that the lessee is reasonably certain to exercise. Under GASB #87 lease transactions of buildings and equipment that have a lease term of 12 months or less are recognized in the statement of activities as an expense on a straight-line basis over the lease term in the period in which the obligation for those payments has occurred.

Based on management's assessment, there were no leases requiring recognition in the financial statements as of June 30, 2024.

In addition to the building use agreement detailed in Note #9, the School has entered into an operating lease agreement with the United States Department of Education where it leases 12 homes adjacent to its campus. The homes were formerly property of the United States Department of Defense and were subsequently transferred to the Department of Education. The terms of the lease are for 30 years with a total of $1 due to the lessor.

Because there is no ascertainable value related to the lease and there are no ongoing payment terms a right of use asset has not been established under GASB #87.

(16) RESTATEMENT

For the fiscal year ended June 30, 2024, the School reclassified the School Activity funds beginning fund balance of $20,674 from Fiduciary Funds to the proper classification of a Non-major Special Revenue Governmental Fund. As a result, the School has restated the beginning net position on the Statement of Activities and beginning fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balance. The restatement increased the beginning governmental funds fund balance from $126,857 to $147,531 and increased the beginning governmental activities net position from $2,371,280 to $2,391,954.

(17) SCHOOL ACTIVITIES FUNDS

During the 2023-24 school year it was determined that the school activities funds did not work well with the School's model and advised the students that effective December 31, 2023 any unspent balances would be transferred back to the school. Upon the termination of the activities program the School began operating all club activities under the student senate line item of its annual budget.

(18) BUDGET

For the year ended June 30, 2024 the School budgeted General fund revenues of $3,757,047 and expenditures of 3,982,047. Actual revenues were $3,644,148, an unfavorable variance of $112,899 and actual expenditures were $3,646,570 a favorable variance of $335,477. Expenditures exceeded budget in the college counseling, academic support, operation, finance and administration and operation of school budget line items. The General Fund also transferred $320,554 to offset losses in the Summer Camp and Cost or Residential Life funds which was not budgeted for.

(19) CONTINGENCIES

Going Concern

As indicated in the accompanying Governmental Fund Balance Sheet, as of June 30, 2024, the School has deficit unassigned fund balance in the general fund totaling $200,008. The deficit is principally the result of flat funding from the State of Maine and from continued losses in the Cost of Residential Life Fund.

These factors, create an uncertainty about the School's ability to continue as a going concern. Management of the School is developing a plan to reduce its costs in residential life which includes working with the food service provider to cap costs. In addition, the School has raised room and board rates for the 2024-25 school year. Finally, the State of Maine has provided extra funding in the amount of $500,000 for the 2024-25 school year to offset the fund balance deficit. The financial statements do not include any adjustments that might be necessary if the School is unable to continue as a going concern.

REQUIRED SUPPLEMENTARY INFORMATION

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Final Budget Favorable / (Unfavorable)
	Original	Final		
Resources (Inflows)				
Federal and State assistance	$3,715,347	$3,715,347	$ 3,615,347	$ (100,000)
Fees for services	34,300	34,300	-	(34,300)
Investment and interest earnings	2,400	2,400	473	(1,927)
Other	5,000	5,000	28,328	23,328
Amounts available for appropriation	3,757,047	3,757,047	3,644,148	(112,899)
Expenditures (Outflows)				
Instruction				
Teachers	1,321,026	1,321,026	1,218,210	102,816
Special education	95,419	95,419	67,370	28,049
Student support services				
College counseling	73,483	73,483	78,286	(4,803)
Health services	175,376	175,376	152,499	22,877
Academic support	218,052	218,052	222,862	(4,810)
Athletics	79,814	79,814	54,554	25,260
Student activities	61,338	61,338	57,496	3,842
Financial aid	325,000	325,000	282,270	42,730
Information and computer technology	184,306	184,306	173,044	11,262
Admissions	178,976	178,976	109,012	69,964
Board of trustees	13,000	13,000	7,806	5,194
Director's office	276,749	276,749	271,929	4,820
Operation, finance and administration	263,947	263,947	301,161	(37,214)
Public relations and development	33,825	33,825	27,646	6,179
Operation of school	473,120	473,120	483,414	(10,294)
Trafton expense	106,337	106,337	102,370	3,967
Transportation	73,008	73,008	36,641	36,367
Contingency	29,271	29,271	-	29,271
Total expenditures	3,982,047	3,982,047	3,646,570	335,477
OTHER FINANCING SOURCES (USES)				
Transfers from other funds			20,674	20,674
Transfers to other funds	-	-	(320,554)	(320,554)
	-	-	(299,880)	(299,880)
Net decrease in fund balances	(225,000)	(225,000)	(302,302)	(77,302)
BUDGETARY FUND BALANCE - JULY 1, 2023			102,294	
BUDGETARY FUND BALANCE - JUNE 30, 2024			$ (200,008)	

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2024

Measurement Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
June 30, 2015	35,609	35,609	-	456,525	7.80%
June 30, 2016	45,509	45,509	-	479,042	9.50%
June 30, 2017	53,510	53,510	-	557,403	9.60%
June 30, 2018	61,162	61,162	-	611,615	10.00%
June 30, 2019	68,670	68,670	-	686,699	10.00%
June 30, 2020	56,469	56,469	-	559,101	10.10%
June 30, 2021	46,154	46,154	-	448,926	10.30%
June 30, 2022	45,779	45,779	-	448,814	10.20%
June 30, 2023	39,718	39,718	-	389,394	10.20%

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2024

	Measurement Date: June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the Net Pension Liability (Asset)	0.046863%	0.056269%	0.082739%	0.163080%	0.099883%	0.096394%	0.096007%	0.07589%	0.06816%
Employer's proportionate share of the Net Pension Liability (Asset)	$ 149,541	$ 149,567	$ (25,588)	$ 422,879	$ 305,615	$ 263,811	$ 388,780	$ 408,206	$ 301,518
Employer's covered payroll	$ 389,394	$ 448,814	$ 448,926	$ 559,101	$ 686,699	$ 611,615	$ 557,408	$ 479,042	$ 456,525
Employer's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	38.40%	33.32%	-5.70%	75.65%	44.50%	43.13%	69.76%	84.17%	66.04%
Plan fiduciary net position as a percentage of the total pension liability	92.30%	93.30%	100.90%	88.84%	90.62%	91.14%	86.40%	81.61%	84.10%

Amounts presented have a measurement date of June 30, 2023

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

NOTES TO GASB #68 REQUIRED SCHEDULES

FOR THE YEAR ENDED JUNE 30, 2024

Measurement Date: June 30, 2023

Only fiscal years 2015 - 2023 are reported. The School will continue to present information until a full ten-year trend is compiled.

Changes of Benefit Terms include:

There were no benefit changes for the School employees in the employees' retirement plan.

Changes of Assumptions include:

The discount rate was 6.5% and the COLA benefit remained at 1.91%.
The rate of inflation was 2.75%. 2.75% was also used by MainePers in its years ended June 30, 2022-2016.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	A level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.
Asset valuation method	One-third of the investment return that is different from the actuarial assumption for investment return
Retirement age	60 or 65, depending on years of creditable service at certain dates
Investment rate of return	6.875% per annum compounded annually
Cost of living benefit increases	2.20 for 2023, 1.91 for 2022
Mortality	RP2014 Total Dataset Health Annuitant Mortality Table for males and females is used for active member and non-disabled retirees. RP2014 Total Dataset Disabled Annuitant Mortality Table is used for all recipients of disability benefits.
Actual experience study period	July 1, 2005 to June 30, 2010

SUPPLEMENTARY INFORMATION

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

SCHEDULE OF ACTIVITIES ACCOUNT NON-MAJOR SPECIAL REVENUE FUND

JUNE 30, 2024

CLUB	BALANCE JULY 1, 2023	RECEIPTS	TRANSFERS	BALANCE JUNE 30, 2024
A Capella Club	$ 150	-	150	$ -
Art Club	4	-	4	-
Astronomy club	(39)	-	(39)	-
Book club	161	-	161	-
Civil Rights Club	416	-	416	-
Cooking Club	1,481	-	1,481	-
Club Seed Fund	7,362	-	7,362	-
Crime scene club	-	-	-	-
Cubing club	61	-	61	-
Ecology Club	2	-	2	-
Environmental Club	323	-	323	-
French Club	520	-	520	-
Ginaz	306	-	306	-
Gardening Club	100	-	100	-
Girl Up Club	246	-	246	-
Go Club	-	-	-	-
Key Club	(2,095)	-	(2,095)	-
LARP Club	267	-	267	-
Literary Magazine	371	-	371	-
Lord of the Rings Club	-	-	-	-
Magic Club	154	-	154	-
Media Club	235	-	235	-
Mu Alpha Theta National Math Society	-	-	-	-
Prom Committee	927	-	927	-
Rocketry Club	71	-	71	-
RPG Playing	-	-	-	-
SAGA	132	-	132	-
Sea Perch Club	518	-	518	-
Soccer Club	1	-	1	-
Spanish Club	207	-	207	-
Student Senate	2,826	-	2,826	-
Student Senate-Bottles	3,798	-	3,798	-
The Newspaper	-	-	-	-
Theater Club	85	-	85	-
VEX Robots	536	-	536	-
Vending-Office	63	-	63	-
Wellness Club	133	-	133	-
Girl's Soccer Team	209	-	209	-
Floor Hockey Club	200	-	200	-
Cinematics Club	200	-	200	-
Badmington Club	200	-	200	-
Lettuce Club	188	-	188	-
Jazz Club	200	-	200	-
Yearbook	155	-	155	-
	20,674	-	20,674	-
REPRESENTED BY:				
Checking accounts	20,374	-	20,374	-
Petty cash	300	-	300	-
	$ 20,674	$ -	$ 20,674	$ -

See accompanying notes to basic financial statements

Maine School of Science and Mathematics

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grantor Pass through Grantor Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Award Amount	Revenues	Expenditures
U.S. Department of Agriculture					
Passed through Maine Department of Education					
Child Nutrition Cluster					
School Breakfast Program	10.553	N/A	2,306	2,306	2,306
National School Lunch Program	10.555	N/A	6,078	6,078	6,078
Total Child Nutrition Cluster				8,384	8,384
COVID-19 - Pandemic EBT Food Benefit Program Administrative Costs	10.649	N/A	653	653	653
				9,037	9,037
Total U.S. Department of Education				9,037	9,037
Total expenditures of federal awards				$ 9,037	$ 9,037

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

A. SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards includes the federal grant activity of Maine School of Science and Mathematics and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Maine School Finance Act. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation, of the basic financial statements.

B. BASIS OF PRESENTATION

Reporting entity- The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal financial assistance programs administered by the Maine School of Science and Mathematics, an entity as described in the notes to the financial statements.

Pass-through programs – Where the School receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based on the Catalog of Federal Domestic Assistance (CFDA) number advised by the pass-through grantor.

C. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

D. MATCHING COSTS

Matching costs that represent the share of the Maine School of Science and Mathematics' share of certain program costs, if any, are not included in the Schedule of Expenditures of Federal Awards.

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

SCHEDULE OF RECONCILIATION OF FUND BALANCES PER MEDMS REPORTS TO FUND BALANCES PER FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

	General Fund (1000)	Special Revenue Funds (2900)	Enterprise Funds (6000)	Totals
Balances per MEFS reports	$ (200,008)	$ 32,290	$ -	$ (167,718)
Revenue adjustments				
Expenditure adjustments				
Other adjustments Rounding				
Audited GAAP Basis Fund Balance	$ (200,008)	$ 32,290	$ -	$ (167,718)

ADDITIONAL REPORTS

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees of the
Maine School of Science and Mathematics

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Maine School of Science and Mathematics, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Maine School of Science and Mathematics' basic financial statements and have issued our report thereon September 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Maine School of Science and Mathematics' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maine School of Science and Mathematics' internal control. Accordingly, we do not express an opinion on the effectiveness of Maine School of Science and Mathematics' internal control.

A *deficiency in internal control* exists when the design of or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and other matters

As part of obtaining reasonable assurance about whether Maine School of Science and Mathematics' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Maine School of Science and Mathematics' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Maine School of Science and Mathematics' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Maine School of Science and Mathematics' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chester M. Kearney

Presque Isle, Maine
September 27, 2024

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

2024-001 Material Weakness – Account reconciliations

Condition and context: During our audit we noted that several accounts do not agree with the subsidiary ledger and/or have not been adjusted to reflect their actual balance.

Criteria and effect: Accounts should be properly reconciled from the trial balance to the bank statements and/or subsidiary ledgers on a monthly basis. Such reconciliations are necessary to ensure the accuracy of postings throughout the year.

Cause: During the year the School had departures in the accounting department that took time to be filled. This left one individual to perform all of the accounting tasks.

Recommendation: We recommend that all accounts be reconciled as soon as possible after month end with the correct bank balance or subsidiary ledger and the trial balance agrees with the reconciled balance. The accounting staff should post any necessary entries as needed or on a monthly basis rather than waiting until the end of the fiscal year and doing all closing entries at that time. The board of trustees, finance committee and Executive Director should be used to provide oversight to this process and should review the internal financial statements on a monthly basis to verify that all necessary entries have been recorded and should approve both the statements and the proposed entries.

Views of responsible officials and planned corrective actions: Management agrees and will implement the corrective action plan found on page 38 of this report.

2024-002 Material Weakness – Preparation of annual budget

Condition and context: During our audit we noted that the annual budget had overstated the amount of funding to be received from the state of Maine by $100,000, budgeted for fund balance use of $225,000 when the fund balance carryforward was significantly less than that amount and also budgeted for fees due from out of state students when none were enrolled at the school.

Criteria and effect: The annual budget should be prepared accurately to show a true amount of revenues expected to be received during the school year.

Cause: It appears that the budgetary errors were not corrected due to improper oversight. Additionally, the issues in finding 2024-001 contributed to management not being able to properly estimate the fund balance carryforward for the 2023-24 school year. However, upon realizing the issue management should have prepared a revised budget.

Recommendation: We recommend that the budget be thoroughly reviewed prior to approval for any errors or omissions and a revised budget be prepared if management discovers that the budget cannot be adhered to.

Views of responsible officials and planned corrective actions: Management agrees and will implement the corrective action plan found on page 38 of this report.

MAINE SCHOOL OF SCIENCE AND MATHEMATICS

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2024

PRIOR AUDIT FINDINGS - NONE

2024-001 Material Weakness

Name of contact person: Rob Constantine, Executive Director

Corrective Action: The School will develop a policy to ensure that accounts are reconciled and the general ledger adjusted on a timely basis and that proper supervision is provided to review the general ledger on a monthly basis.

Proposed implementation date: The corrective action plan will be implemented immediately.

2024-002 Material Weakness

Name of contact person: Rob Constantine, Executive Director

Corrective Action: Management has developed a process to review the accuracy of its budget prior to approval and to review the budget on an ongoing basis throughout the school year. The budget is thoroughly reviewed by the finance committee and approved by the board of trustees and monitored by management and the finance committee on an ongoing basis throughout the year. Appropriate action is taken by management to respond to anticipated revenue shortfalls or cost overruns on a timely basis.

Proposed implementation date: During the 2023-24 school year Management recognized the weakness related to the budget process and implemented corrective actions in the process of building and monitoring the 2024-25 budget.

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
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Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the Board of Trustees of the
Maine School of Science and Mathematics

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THE MAINE SCHOOL FINANCE ACT

We have audited the financial statements of the Maine School of Science and Mathematics, as of and for the year ended June 30, 2024, and have issued our report thereon dated September 27, 2024.

The management of the Maine School of Science and Mathematics is responsible for the School's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with laws and regulations noncompliance with which could have a material effect on the financial statements of the School.

Title 20-A Sec 6051 requires certain written assurances with respect to school audits. Our audit of compliance with the laws and regulations consisted at a minimum the following:

1. A determination of whether or not the School has complied with budget content requirements pursuant to section 15693.
2. A determination of whether or not the School has complied with transfer limitations between budget cost centers pursuant to section 1485.
3. A determination of whether or not the School has exceeded its authority to expend funds.
4. A determination as to whether or not the annual financial data submitted to the School is correct.
5. A determination of whether or not the School was in compliance with applicable provisions of the Essential Programs and Services Funding Act.

The results of our tests indicate that, for the items tested, the School complied with those provisions of Maine laws and regulations. Nothing came to our attention that caused us to believe that for the items not tested, the School was not in compliance with Maine laws or regulations.

Chester M. Kearney

Presque Isle, Maine
September 27, 2024

Maine School of Science and Mathematics

2023-2024

MSSM FOUNDATION

Annual Report for Giving



The MSSM Foundation is proud to support Maine's public residential magnet school program.

FROM THE CHAIR



Many years ago my spouse convinced me that our annual holiday card should contain a note about our year in addition to the obligatory photos of kids, pets, and neat places we had the fortune to visit. Over the years, I've grown to look forward to the act of reflection, taking stock of a snapshot of the past, which inevitably bolsters my plans for the future. To look back on this year, my theme revolves around change. The phrase "the only constant is change", is thought to be attributed to Greek philosopher Heraclitus, who lived more than 2,000 years ago. He believed that change was a universal law of nature. We have had many threads of change at MSSM and the MSSM Foundation over the past year.

The school welcomed their new executive director, Rob Constantine. Rob serves as a member of our board's executive committee and it has been a pleasure and joy to get to know him and plan for new endeavors to ensure MSSM remains on the forefront of unique and cutting-edge education in Maine. The Foundation bid's farewell to our executive director, Jeff Candura, who brought sound strategies and endless good humor to his work during his time with us. We say, "hello" to Deb McGann P'03 in her new role as our next executive director, and embrace goals that will support the school's next strategic plan. It has been a year of change, and we are strengthening our depth and breadth of support for MSSM. We could not do this work in the past or in the future without the support of our community and I am humbled by how you give, of your time and resources to support the student experience, and the role this school plays in the educational landscape of Maine.

With gratitude,

Heather

Heather Merriman, '98
MSSM Foundation Board Chair

WHY MSSM?

MSSM is in its 30th year of providing a unique and important option within Maine's excellent public education programming. In this community, students from across all 16 counties live and learn together from leaders who steward public and private funding to champion a cost-effective, specialized experience that strategically engages the Department of Education's promise to help Maine's children "reach their greatest level of achievement."

WHOM do we serve?

MSSM serves curious students that desire to expand their thinking about the world through the study of science, mathematics and the humanities. Students seek to define themselves, and find their place in our global society.

WHAT do we do?

MSSM offers an experiential residential learning community that affords our scholars the opportunity to develop their critical thinking skills such that they can propose, investigate, and communicate their ideas; skills that improve the human condition and benefit the State of Maine.

WHY do we do it?

MSSM is established by, and in support of, the Maine legislature's responsibility to educate our future generation of leaders by providing access and opportunity to generative, forward-looking curriculum that is at the forefront of STEM education in the State of Maine and beyond.

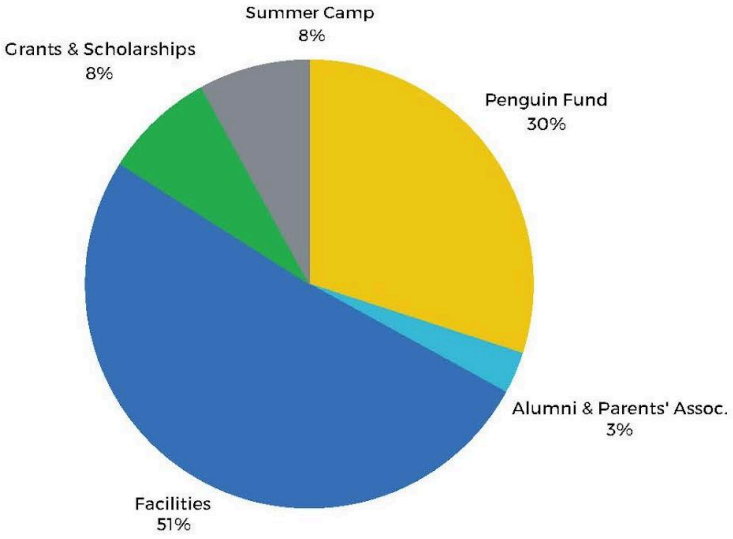


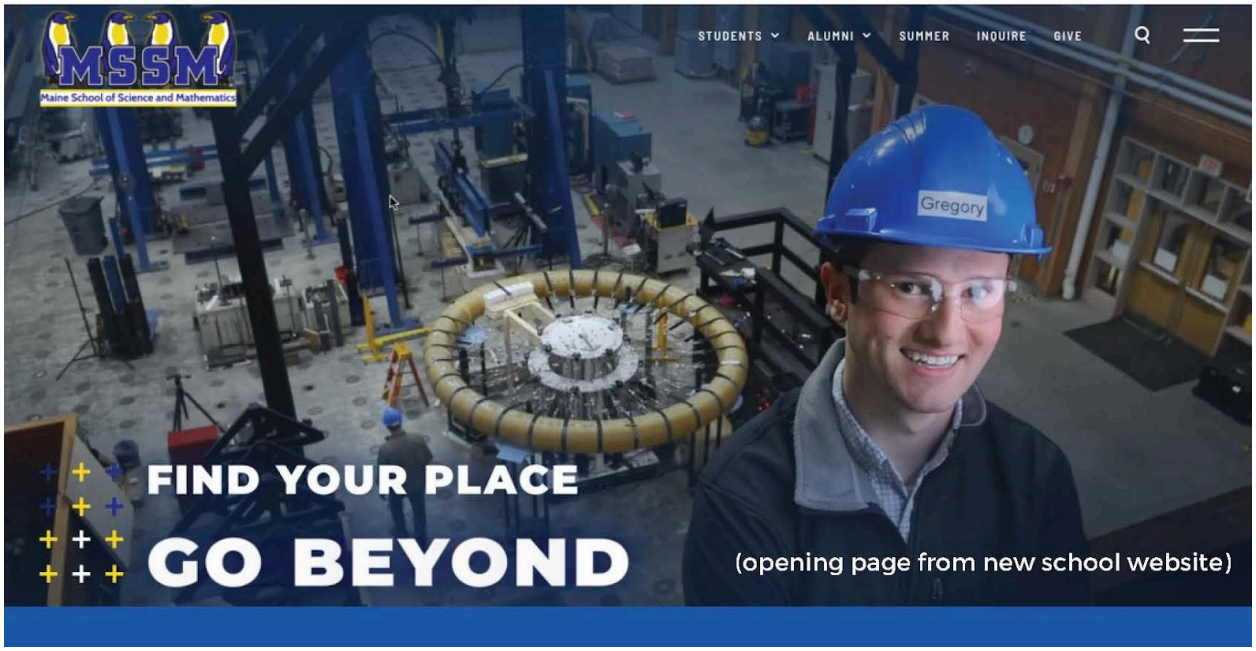
Senate President Troy Jackson with students, School Board of Trustees and Foundation Board members and staff, in Augusta

IMPACT

Propelled by record giving in 2023, this year we were able to impact MSSM in ways we had previously only imagined, distributing over $274,000 in grants. None of these advancements would have been possible without the generosity and commitment of our donor community.

Here are a few highlights we hope will bring joy to those who have truly made a profound difference at this unique school and in the lives of Maine students from every corner of the state.





(opening page from new school website)

IMPACT

Celebrating your birthday at a residential school!



Penguin Fund: administered directly by the school, we bolstered the student experience, supported faculty recruitment and retention, improved communication and outreach, and upgraded facilities and equipment.

Facilities - A transformative $100,000 gift from Ron and late wife Linda Fabio P'98 prevented the permanent closure of the pool in the academic building, The installation of the new fume hood donated by former MSSM faculty Rich Barrans was made possible by a gift from current MSSM Trustee Craig Cunningham and spouse Lora. MSSM Trustee Tim Beaulieau facilitated a gift of industrial tables and cabinets from IDEXX transforming the VEX robotics space.



Ribbon cutting for pool reopening!



Finals week french fry bar

Alumni and Parents' Associations - Through the publication of the AfterMath newsletter and the sponsorship of events we have helped alumni connect and stay engaged with the community. In addition to hosting activities for current families both on and off campus, the Parents' Association organized staff appreciation week, senior week, and a senior rafting trip.

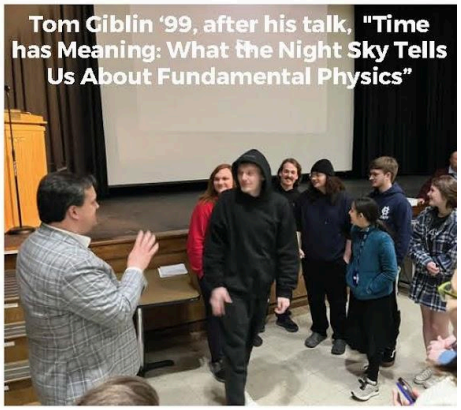
IMPACT



Inaugural recipient
Charles Reischer, Class of 2024

Art Thompson Memorial Scholarship - This award represents our commitment to recognizing exceptional MSSM students while honoring a pivotal figure in our institution's history. Art Thompson, a lifelong Limestone resident, was an instrumental force in establishing both MSSM and its Foundation ensuring its continued success.

Launch of the Howard Family Lectures Series - We are honored to steward an endowed gift from Eric Howard and family which has established a distinguished lecture series to bring world-class academics, professionals, and practitioners to our campus to share their passions and area of expertise. We look forward to featuring speakers with international experience in STEM disciplines and science policy, underscoring our commitment to fostering public service.



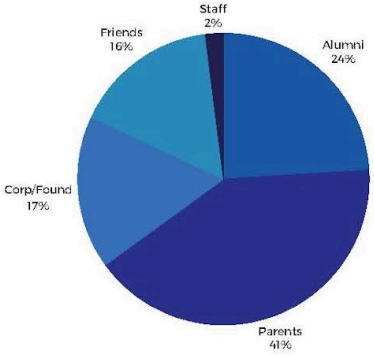
Tom Giblin '99, after his talk, "Time has Meaning: What the Night Sky Tells Us About Fundamental Physics"



MSSM Engineering students presenting their mechanical penguin

Grants to Students and Staff - The Foundation seeks proposals directly from staff and students through a grant application process. In addition to the Michael P. Fabio Exploration Grants, dedicated to support the pursuit of knowledge through hands-on learning, innovation, and exploratory experience, we prioritize initiatives that maximize immediate and long-term impact across the student body.

BY THE NUMBERS



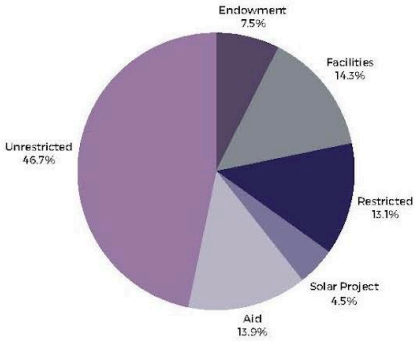
Where Gifts Come From

Gifts to the MSSM Foundation come from multiple sources with one thing in common, a deep commitment and care for MSSM.

In FY24 the majority of funds donated came from parents of students and alumni. The alumni body of MSSM is an expanding population, with the oldest alumni just entering the middle of their careers. They continue to give to the Foundation in greater quantity.

Friends and other MSSM family members (grandparents, for example), corporations and foundations, and even MSSM staff, make up the remaining donors.

In-Kind Gifts ($24,000) provided much appreciated furniture and equipment.

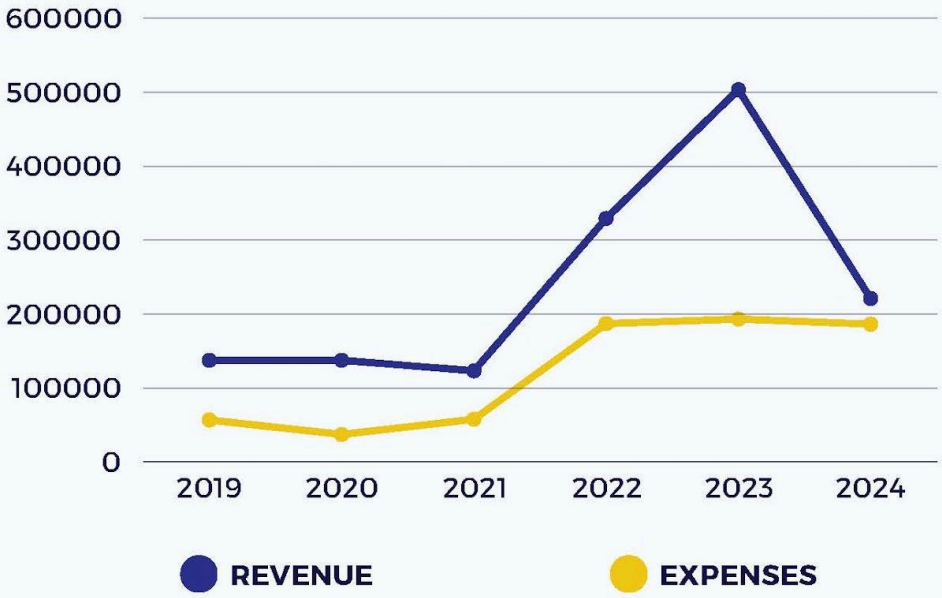


Where Gifts Go

Donors can direct their gifts toward a project, or leave their gift unrestricted. Most donors to the MSSM Foundation choose to give their gifts unrestricted, allowing the Foundation and school administration to identify the area of greatest need. Unrestricted gifts counted for just under half of the total dollars donated.

The largest single designation was towards facilities which included the installation of the fume hood and laboratory benches. Other large designations include the solar project, financial aid and scholarships for the MSSM Summer Camp. Donors also gave to the Howard Family Lectures Series and other endowed funds and for several other specific purposes.

+++ FINANCIAL PERFORMANCE



Over the last three years the MSSM Foundation has invested in its operations, including staff to grow events and communications. Some very large gifts in 2022 and 2023 skew the growth trajectory and have enabled the foundation to increase its impact on MSSM Students and Staff

FINANCIAL STATEMENT

	FY2022	FY2023	FY2024
GIFTS & CONTRIBUTIONS	$332,458	$503,563	221,030
EXPENSES	187,009	$194,813	186,318
GRANTS	$39,986	$157,001	274,018
NET ASSETS (Including investment loss/gain)	$874,229	$1,061,795	919,865

The MSSM Foundation raises funds for both unrestricted and restricted purposes. Some donations to the Foundation are used to create or supplement endowed funds, which are held in endowment with the Maine Community Foundation. Other donations are given for specific purposes such as scholarships or capital projects. Unrestricted gifts are used to help fund operations and grant requests reviewed by the MSSM Foundation Grant Committee. The Foundation also facilitates in-kind gifts of equipment, supplies, and other goods and services. The last three years have seen tremendous growth in the amount of funds transferred to MSSM in the form of grants.

DONORS

An extra shout out to our long time donors,
every ♥heart♥ represents
5 years of consecutive giving

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Summer Camp 2024


Yellow Tulips requested + planted by the Wellness Club

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2024 State Math Champions

DONORS


VEX Room - Before


VEX Room - After IDEXX Gift

Euclid's Element Society $250–$499

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- Maureen Sweeney GP'22, '23
- Louis Zellinger '06

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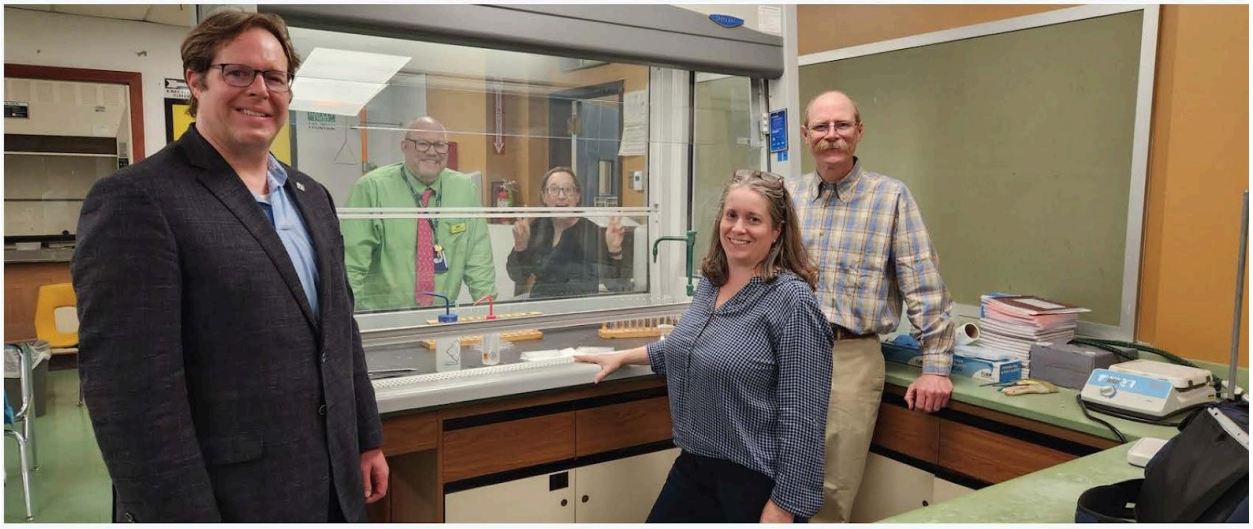
Halley's Comet Society $100–$249

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Executive Director Rob Constantine and Foundation Board of Directors members stand with the new fume hood donated by former MSSM faculty member Rich Barrans (far right)

DONORS


Jason Dark '04 welcomes the newest members of the MSSM Alumni Association

Newton's Apples $50–$99

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- Nola and Richard Urban P'06
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- John Westin '98

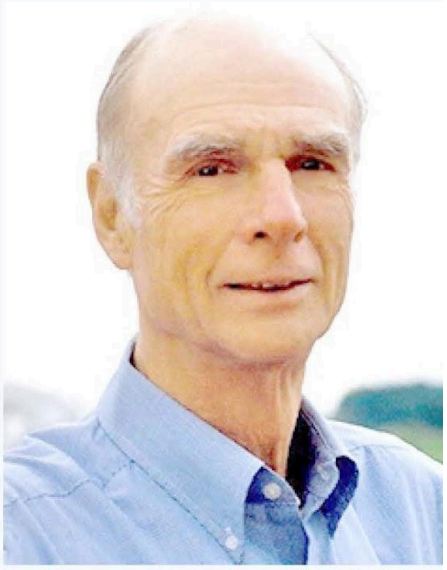


Fabio recipient demonstrates a computer he built from scratch

In '23-'24, the Michael P. Fabio Exploration Fund awarded five student grants, totaling $11,605, continuing Michael's legacy at MSSM.

TRIBUTE TO ART THOMPSON

"As a board member, I appreciated his wisdom, insight and integrity. I admired his logical and unifying approach to problem solving."
Dale Gordon P'04,'05,'08



We dedicate this Annual Report to Art Thompson who passed away last December leaving a hole in our community. Art loved MSSM, Limestone, and Aroostook County and he showed that love by giving back to a variety of causes and organizations including MSSM. A member of the MSSM Foundation Board for far longer than our bylaws allowed, Art was central to the Foundation's growth and success. He was a fierce defender of and advocate for MSSM.

"Art was instrumental in locating MSSM in Limestone and thereby introduced what are now thousands of bright, ambitious young people from all over Maine to the County and they all carry their affection for this unique place forward in their lives today. " Doug Baston, P'02

CHEERS TO THE CLASS OF 2024

Here is where some of our graduates will be heading

















































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THANK YOU

MSSM FOUNDATION

On behalf of the MSSM Foundation staff and Board of Directors, thank you for your generosity and commitment to the Maine School of Science and Mathematics.

Doug Baston P'02
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Art Thompson
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Kristina Yurko '08
Rob Constantine - MSSM Exec. Director



Total Solar Eclipse as witnessed by MSSM Students in Limestone on April 8, 2024

The MSSM Foundation helps to ensure the long-term success of the Maine School of Science and Mathematics by raising and distributing resources to enhance its educational offerings, maintain an outstanding faculty, and ensure access to all qualified students.

DEB MCGANN
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