NOTES & COMMENTS **REVIEWED WITH SBFC 11/10/2026**
FY27 QUARTER 1 -- FINANCIALS AS OF 9/30/2026

Overview

As we take a look at the first quarter of FY27, we see themes in finance that have become very familiar in recent years. The global economy continues to face challenges, most recently with successive tariffs and the war in Iran. Inflationary pressures affect not just the cost of supplies and equipment but wages and benefits as well, as we strive to remain competitive in a tight labor market. While the hiring picture has improved for some of our support positions, and we started the school year fully staffed in both School Nutrition and Facilities for the first time in recent memory, Transportation and Special Services are still experiencing constant turnover and unfilled positions, and use of contracted services in those areas continues to be an important strategy. While individual line items in the FY27 budget reflect these pressures even in quarter 1, the overall budget to actual ratio is stable and consistent with our expectations.

As usual at this time of year, we have been working to close out FY26 with year-end invoicing, adjustments and financial reports required by the town and state. The auditors have already done their fieldwork onsite, and we expect to have the FY26 audit completed by early December.

Expenditures

During the first quarter of the fiscal year, spending patterns vary depending on the function of each expense account. Salary and benefit lines for year-round staff are used at a different rate from those for school-year staff. Expense accounts used for items like instructional supplies, online programs, yearlong subscriptions, property insurance coverage and membership fees are spent at a higher rate during the first quarter as we prepare for the start of the new school year. In each quarterly financial statement, we include columns showing comparative percentages from the two prior fiscal years, to help us identify and address any notable variances. This approach helps us to recognize and account for varied spending patterns from quarter to quarter.

Expenditures in FY27 are trending very close to FY26 and FY25 in most categories, with variances mainly attributable to personnel shifts in cost centers with highly staff-centered budgets. As noted above, turnover and unfilled positions in Special Education and Transportation continue to hold those categories at a lower-than-expected expenditure level, despite added spending on contracted service providers to ensure that critical work can be completed.

Here are a few variances of note:

Extra-Curricular – slightly lower early expenditures in this category reflect the timing of cyclical purchasing of equipment and supplies, as well as the payment to MaineHealth for athletic training services.

Improvement of Instruction – higher early spending in this category is due to the restructuring of department leadership through the FY27 budget process. The Curriculum Specialist position which went unfilled in FY26 and held spending below budget estimates was repurposed for this year, and the new Assistant Director position has been in place since July 1.

Instructional Technology – spending in this category varies year to year based on multi-year renewal schedules for district software and services. In general, this category tracks lower at first quarter because funding for personnel expenses is transferred to the Town in December and June under our shared services agreement. This year we expect savings due to the still-unfilled IT Director position.

Revenues

Because most of our General Fund revenues come from local tax dollars and use of fund balance, our revenue receipts at the end of the first quarter are similar year over year, with the bulk of budgeted funds already posted by the Town Finance Office at the start of Quarter 1. Apart from State Subsidy which is disbursed monthly, other non-tax revenues typically don't begin to accrue until later in the fiscal year.

Other Funds

While **Adult Education** has offered a similar variety of programs and services in this year's Fall catalog to prior fiscal years, a reduction in personnel spending reduces the overall budget-to-actual percentage. This lower than usual spending pattern reflects Yvonne Wentz's transition from MLL coordinator to program director, and a delay in filling the coordinator position as she served double duty over the summer months. On the revenue side, tax and fund balance revenues are posted, and tuition receipts are on track for this time of year. In some good news on the grants front, we have had confirmation of continued resources from the federal AEFLA and state MCCA grants that actually exceed our budgeted projections ($14,926 AEFLA and $5,000 MCCA).

With the continued support of the Maine Legislature, the **School Nutrition Program** is providing free breakfasts and lunches to all students again this school year, with a la carte items available for purchase at the High School and Middle School. Program expenditures are trending in a very similar pattern to prior years, with the exception of the contracted services category, where a review of our point-of-sale software subscriptions uncovered an unnecessary duplication which allowed us to reduce the cost of one of those programs. School Nutrition revenues in Quarter 1 always lag behind expenses, because state reimbursement claims are processed after each month ends. $100,000 of prior year fund balance which we have applied as revenue for the current year has already been posted, and revenue for food sales from the first few weeks of school appear here. The state/federal reimbursement for September has been received now, and funding is expected to continue to cover program costs this year.

The **Federal Restricted Funds** section of the financial statement shows our usual Title and IDEA (Local Entitlement) grants with updated allocations for FY27. We have been approved for amounts similar to recent years in each of these grants, despite the concerns we experienced last year about potential loss of these funds. In **Grants, Trusts & Special Revenues**, while last year's Preschool and Homeless grants have ended, there's a new line for the small allocation provided by the Maine Department of Education to offset the cost of implementing the new cell phone ban.

Capital Improvement Projects (CIP)

The CIP report for Quarter 1 reflects Facilities spending for regular maintenance over the summer months, when the department rushes to complete necessary work while school is not (fully) in session. Roof repairs and restoration, interior painting, replacement of furnishings, paving and landscaping projects, and HVAC repairs show the most significant investment. The High School Auditorium project is nearing completion with the new portable wall installed and the rear auditorium replacement bleachers on order. Planned maintenance in other budgeted areas will continue over school breaks to cause the least possible disruption for students and staff.

Other major first quarter expenses are shown in Technology, primarily for the cyclical replacement of staff laptops, and in Transportation where we have paid for and received our three replacement buses for this school year. We had a notable budget savings of $96,000 due to the purchase of gasoline bus models rather than diesel, which is also helping us with current fuel costs. A replacement van budgeted at $35,000 came in at $48,000, so we were able to apply some of the bus savings there to ensure continued fleet safety for our smaller out of district runs.

In Summary

At the time of this first quarter report, we are pleased to see a healthy financial picture, and expect that our financial strategies and budgeted resources will serve to meet the needs and challenges of the coming school year. As always, we will work to ensure that our district goals and financial decisions put students' needs first, while honoring and respecting the impact of those decisions on the community that supports us.

Scarborough Public Schools
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General Fund Expenditures: (including encumbrances)	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY27 % Used	FY26 % Used	FY25 % Used
Regular Instruction:							
Regular Instruction Programs	28,791,479	28,791,479	7,423,674	21,367,805	25.8%	25.3%	26.0%
English as a Second Language (MLL)	608,226	608,226	161,368	446,858	26.5%	23.2%	23.5%
Gifted and Talented Programs	474,413	474,413	99,131	375,282	20.9%	25.1%	26.5%
Special Education Instruction	17,226,759	17,226,759	3,535,455	13,691,304	20.5%	21.6%	21.2%
CTE Instruction (Career & Technical Ed)	0	0	0	0	0.0%	0.0%	0.0%
Other Instruction:							
Co-Curricular	336,456	336,456	22,588	313,868	6.7%	4.7%	3.8%
Extra-Curricular	1,725,527	1,725,527	346,901	1,378,626	20.1%	25.1%	21.3%
Student & Staff Support:							
Guidance Services	2,221,717	2,221,717	552,972	1,668,745	24.9%	24.6%	25.1%
Health Services	1,014,945	1,014,945	257,300	757,645	25.4%	24.5%	24.5%
Improvement of Instruction	1,161,521	1,161,521	457,159	704,362	39.4%	36.2%	36.2%
Instructional Technology	1,996,902	1,996,902	484,053	1,512,849	24.2%	18.2%	32.9%
Library Services	1,103,080	1,103,080	241,426	861,654	21.9%	20.1%	21.4%
System Administration	1,685,447	1,685,447	518,827	1,166,619	30.8%	30.0%	28.2%
School Administration	2,359,863	2,359,863	576,278	1,783,585	24.4%	24.5%	23.0%
Transportation	2,310,542	2,310,542	420,622	1,889,920	18.2%	18.3%	15.4%
Facilities & Maintenance	5,991,364	5,991,364	1,441,190	4,550,174	24.1%	27.1%	22.9%
Debt Service	6,235,176	6,235,176	0	6,235,176	0.0%	0.0%	0.0%
All Other	0	0	0	0	0.0%	0.0%	0.0%
Total General Fund Appropriations	**75,243,417**	**75,243,417**	**16,538,945**	**58,704,472**	22.0%		
FY26 Year-to-date	**71,066,428**	**71,066,428**	**15,840,863**	**55,225,565**		22.3%	
FY25 Year-to-date	**65,828,078**	**65,828,078**	**14,671,768**	**51,156,310**			22.3%

General Fund Revenues:	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY27 % Rec'd	FY26 % Rec'd	FY25 % Rec'd
Town Funding - Local Taxes	63,628,513	63,628,513	63,628,513	0	100.0%	100.0%	100.0%
Use of Fund Balance	1,500,000	1,500,000	1,500,000	0	100.0%	100.0%	100.0%
State Subsidy - GPA	9,613,404	9,613,404	2,390,272	(7,223,132)	24.9%	25.2%	24.9%
State Agency Client Funding	165,000	165,000	0	(165,000)	0.0%	0.0%	0.0%
Comm. Services Daycare (rent space)	38,500	38,500	0	(38,500)	0.0%	0.0%	0.0%
Community Services Transportation	20,000	20,000	0	(20,000)	0.0%	0.0%	0.0%
Winslow Homer/Facility Rental Fees	20,000	20,000	0	(20,000)	0.0%	0.0%	0.0%
Student Sports/Activity Fees	145,000	145,000	62,726	(82,274)	43.3%	39.2%	35.1%
Renewable Energy Credits	45,000	45,000	0	(45,000)	0.0%	0.0%	0.0%
Other Miscellaneous Revenue	68,000	68,000	6,400	(61,600)	9.4%	21.7%	0.0%
Total Revenue	**75,243,417**	**75,243,417**	**67,587,911**	**(7,655,505)**	89.8%	90.0%	90.5%

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OTHER FUNDS

Adult Education:

Expenditures	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY26 % Used	FY25 % Used	FY24 % Used
Wages & benefits (instructors & program admin)	222,516	222,516	34,191	188,325	15.4%	22.3%	18.3%
General supplies & operations	16,050	16,050	7,322	8,728	45.6%	42.4%	47.4%
Instructional supplies, software & equipment	10,900	10,900	166	10,734	1.5%	8.8%	36.4%
Expenditure totals	**249,466**	**249,466**	**41,679**	**207,787**	16.7%	22.9%	22.1%

Revenues	Estimated Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY26 % Rec'd	FY25 % Rec'd	FY24 % Rec'd
Town Funding - Local Taxes	135,244	135,244	135,244	0	100.0%	100.0%	100.0%
Use of Fund Balance	12,000	12,000	12,000	0	100.0%	100.0%	100.0%
State Subsidy - Adult Ed	45,222	45,222	0	(45,222)	0.0%	0.0%	0.0%
Grant Funds	10,000	10,000	0	(10,000)	0.0%	23.2%	5.7%
Adult Ed Tuition	47,000	47,000	7,392	(39,608)	15.7%	16.0%	10.3%
Revenue totals	**249,466**	**249,466**	**154,636**	**(94,830)**	62.0%	55.4%	52.8%

Adult Education YTD fund balance	**112,957**

School Nutrition Program:

Expenditures	Approved Budget	Revised Budget	Year-to-date Expended	Budget Balance	FY26 % Used	FY25 % Used	FY24 % Used
Wages & Benefits	1,596,889	1,596,889	253,682	1,343,207	15.9%	14.7%	13.2%
Food & Beverages	859,000	859,000	69,840	789,160	8.1%	8.5%	8.3%
Contracted Services (software & repairs)	34,924	34,924	11,115	23,809	31.8%	60.2%	73.2%
Supplies & Equipment	92,500	92,500	7,566	84,934	8.2%	10.8%	23.7%
Operations	4,050	4,050	1,262	2,788	31.2%	29.0%	26.9%
Expenditure totals	**2,587,363**	**2,587,363**	**343,465**	**2,243,898**	13.3%	12.9%	12.5%

Revenues	Budgeted Revenue	Revised Estimate	Year-to-date Received	Balance/ (Shortfall)	FY26 % Rec'd	FY25 % Rec'd	FY24 % Rec'd
Food Sales	400,000	400,000	48,515	(351,485)	12.1%	15.3%	15.9%
Federal Funding (USDA)	430,000	430,000	8,201	(421,799)	1.9%	0.8%	0.6%
State Funding (DOE)	1,654,863	1,654,863	0	(1,654,863)	0.0%	0.0%	0.3%
Grants & Donations	2,500	2,500	0	(2,500)	0.0%	0.0%	0.0%
Use of Fund Balance	100,000	100,000	100,000	0	100.0%	0.0%	0.0%
Revenue totals	**2,587,363**	**2,587,363**	**156,716**	**(2,430,647)**	6.1%	2.6%	2.4%

School Nutrition YTD fund balance	**(186,749)**

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Federal Restricted Funds:	Beg. Balance	FY27 Grant Funds Available	Year-to-date Revenues*	Year-to-date Expenses	Available Funds
Title IA	1,692	105,050	0	27,412	79,330
Title IIA	84,920	89,981	0	0	174,900
Title III	500	10,269	0	0	10,769
IDEA/Local Entitlement	155,708	805,574	0	162,193	799,089
Pre-K Local Entitlement	0	23,514	0	0	23,514
Total Federal Restricted	**242,819**	**1,034,388**	**0**	**189,605**	**1,087,602**

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

Grants, Trusts & Special Revenues:	Beg. Balance	FY27 Grant Funds Available	Year-to-date Revenues	Year-to-date Expenses	End. Balance
Louis & Tina Fineberg Trust	136,743		0	0	136,743
Scarborough Education Foundation	32,304		0	10,829	21,475
Local grants & donations	53,749		0	0	53,749
CC Admin Recertification (fiscal agent)	5,606		0	0	5,606
Tech Maintenance Fees	139,942		21,070	0	161,012
School Nutrition Special Programs	1,850		1,027	1,779	1,098
MLTI Tech Hardware	0		0	0	0
PED Ban Implementation Funds	0	6,431	6,431	0	6,431
Maine DOE Mini Grants	16,559		0	16,358	201
Total Grants & Trusts	**386,753**	**6,431**	**28,528**	**28,966**	**386,315**

School CIP project account status

as of 9/30/2026

FACILITIES	Budget Balance as of 6/30/2026	FY27 Budgeted	FY27 YTD Expenses*	Budget Balance as of 9/30/2026
Long-range Planning	90,524	0	0	90,524
District-wide Energy Improvements	65,381	150,000	13,421	201,960
Kitchen Equipment	5,487	40,000	0	45,487
District-wide Plumbing	13,717	0	0	13,717
District-wide Roofing	1,034,163	0	222,028	812,134
District-wide Exterior/Interior Finishes	15,918	200,000	177,343	38,575
District-wide Interior Construction	50	100,000	18,772	81,278
District-wide Security & Access Mgmt	417,061	0	0	417,061
District-wide Flooring	114,397	75,000	5,683	183,714
District-wide Movable Equipment	100,850	300,000	163,294	237,556
HS Auditorium Equipment	305,966	50,000	304,791	51,175
District-wide Building Envelope	135,586	50,000	5,950	179,637
District-wide Grounds & Site Mtce	167,910	100,000	96,313	171,597
Athletics Facilities/Equipment	13,402	60,000	0	73,402
District-wide HVAC/Mechanical	197,315	150,000	178,449	168,866
Facilities Support/Equipment	135,960	50,000	12,593	173,367
Facilities Support/Vehicles	23,408	0	0	23,408
TOTALS	**2,837,097**	**1,325,000**	**1,198,636**	**2,963,461**

TOWN/SCHOOL PROJECTS				
School Building Project	600,000	0	0	600,000
(multiple accounts)	138,439,976	0	861,225	137,578,750
TOTALS	**139,039,976**	**0**	**861,225**	**138,178,750**

TRANSPORTATION				
Bus purchase/replacement	8,392	570,000	473,667	104,725
Van purchase/replacement	30,000	35,000	46,805	18,195
Transportation software	68	0	0	68
TOTALS	**38,461**	**605,000**	**520,472**	**122,989**

TECHNOLOGY				
Equipment Replacement	206,086	444,000	203,042	447,045
New Equipment	(2,709)	0	0	(2,709)
TOTALS	**203,378**	**444,000**	**203,042**	**444,336**

*including encumbrances

GRAND TOTALS	**142,118,911**	**2,374,000**	**2,783,375**	**141,709,536**