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**To:** Liam Skinner, Superintendent of Schools  
**From:** Derek Pinto, Assistant Superintendent of Finance  
**Date:** February 5, 2025  
**Subject:** Quarterly Budget Update, 2<sup>nd</sup> Quarter, July 1-December 31, 2024

**Purpose:** To provide a snapshot of the FY25 Q2 spending, and share essential budget information in a clear and concise format.

A financial overview of the School Department's FY25 Second Quarter Financial Report (FY25 Q2, or Q2) will be presented to the School Committee on February 5, 2025, spanning the first two quarters of the School Department's fiscal year: July 1 to December 31, 2024.

This FY25 Q2 Financial Report is a summary of the Operating Budget. It is organized into two sections:

1. Non-Salary Expenses
2. Payroll (Salary) Expenses

The budget continues to progress as expected, with ongoing evaluations to ensure spending reflects district priorities and operational needs.

Regarding **Non-Salary** expenses: Purchases and transfers are being monitored closely, and we are investigating whether some expenses can be reallocated to grant funds.

Regarding **Payroll** expenses: We are reviewing staff assignments to ensure alignment with funding sources, and to ensure that grant-supported roles are aligned with grant periods.

**Variable costs** can place significant financial pressure on the budget. Costs that we are monitoring include but are not limited to the following: unpaid bills in the current or prior years, substitute staffing, overtime, sick leave buy back, emergency instructional technology and software needs, out-of-district (OOD) tuition, special education\homeless\other transportation needs.

The **next steps** for the School Finance Department include:

- Monitor spending trends and investigate potential budget transfers.
- Identify cost-saving measures while maintaining essential services.
- Reallocate funds where appropriate to reflect accurate spending and maximize grant opportunities.

Subsequent quarterly reports are scheduled for completion as follows:

- Quarter 3: financial status through March 31, 2025, to be presented in May 2025
- Quarter 4: financial status through June 30, 2025, to be presented in September 2025

The updates aim to provide transparency while highlighting key areas of focus or challenges. As always, ongoing adjustments are part of maintaining a balanced and responsible budget. It is important to recognize that budget maintenance is an ongoing process involving daily adjustments, reallocations, and transfers to maintain accuracy.

Please contact me if you have any questions or would like more information related to the FY25 Q2 Report.