

Scotia-Glenville School District  
Scotia, New York

To: Susan Swartz, Superintendent  
From: Drew Giaquinto, Business Manager  
Subject: First Fiscal Projection 2022-2023  
Date: October 24, 2022



I have completed the first fiscal projection for the year-ending June 30, 2023 with the supporting Revenue and Budget Status reports and the Summary Variance Analysis and Fund Balance Projection report. **This fiscal projection reflects three months of actual expenditures (please note, 1 month of the current school year) and revenue with a nine-month projection.**

I am projecting \$2,354,000 in operating surplus after the first three months. CARES ACT 2 funds have supplanted General Fund budgeted expenses in staffing and contractual areas (temporary help, SRO, Trainer and summer school) to create one-time savings within the budget. In addition, turnover savings in staffing related to timing and difficulty of replacing vacancies has contributed to the savings in budgeted expenditures. An early projection in the 2-million-dollar range is historically where we like to be as we perform the first review of our projections in relationship to the budget.

Revenue is a very conservative projection at this time as we await the **first State Aid output reports**. Revenue is projected for a slight shortfall of \$91,000 (.15%) due to a projected shortfall in Foundation Aid (penalty on not meeting 180-day requirement in 2020/2021) partially offset by projected favorable interest income (increase in interest rates, 250 basis points due to Federal reserve action). Tax revenue and PILOTS will be on budget and we expect, but will not commit to, favorable results in other categories as it is too early in the fiscal year.

Expenditures reflect the current in-force payroll with current vacancies being filled as well as approved federal grant subsidies. The remaining categories reflect contractual commitments and historical trend.

As we progress through the fiscal year, categorical variances may change due to unforeseen events and migration closer to year-end which yields more certainty in the fiscal prognostication. Key areas such as Special Education are trending under budget through the first month of the school year, but I typically will not show any savings in the volatile public and private tuition categories until the final projection in the spring.

**The operating surplus for the First Fiscal Projection for 2022-23 is \$2,354,000 (\$1,959,000 prior year first projection), an increase of \$395,000** from our estimate from the prior year's first projection. I am projecting savings on Expenditures of \$2,445,000 (3.99%) and slightly unfavorable Revenue, \$91,000 (-.15%).

The District has an unrestricted fund balance at June 30, 2022 of \$2,329,340 or 3.9%. The District projects an unrestricted fund balance for June 30, 2023 of \$4,683,000. The District utilized \$4,519,504 to balance the 2022-2023 budget, \$150,000 more than the prior year.

The objectives over the remaining fiscal year will be to achieve 6% savings on Expenditures and make up the lost ground on Revenues which would yield an operating surplus of \$4,000,000 and allow us to mitigate most of the budget hole created by appropriating fund balance in lieu of raising taxes. I will, however, remain conservative due to the unknown factors which may occur over the final 9 months.

I have attached reports as follows for Board of Education Review:

- Variance Analysis and Change in Fund balance (A-1)
  - o Report displays summary of revenues vs. amended budget
  - o Report displays summary of Categorical expenditures vs. amended budget
  - o Report displays Fund Balance analysis
- Departmental/Categorical line item budget vs. projected expenditures (A-2)
- Appropriation Status report (A-3) as of September 30, 2022 which displays original and amended budget vs ytd expenditures

I will have the above reports and narrative ready for the board meeting on 10/24/2022 and please let me know if you have any questions or require additional information.

