


Scotia-Glenville School District
Scotia, New York

To: Susan Swartz, Superintendent
From: Drew Giaquinto, Business Manager 
Subject: 2nd Fiscal Projection 2022-2023
Date: December 28, 2022

I have completed the 2nd 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 six months of actual expenditures (please note, 4 months of the current school year) and revenue with a six-month projection.**

I am projecting a **\$3,074,000** operating surplus, an increase of \$720,000 from the \$2,354,000 in operating surplus after the first fiscal projection. **Revenue** is projected **favorable at \$502,000** after being projected unfavorable at \$91,000 in the first projection, a **favorable swing of \$593,000**. **Expenditure** savings are now projected at **\$2,572,000**, an increase of **\$126,000 from** the first projection. **State Aid reflects the first output** reports from SED and they do not reflect **an aid reduction** for not meeting the 180 instructional days and required hours for 2021-22 (\$150,000 reduction estimated in first projection). Additional savings in staffing and contractual commitments can be recognized as we move through the fiscal year. **We will continue to benefit from CARES ACT 2 funds** which 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.

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Historically projections at the mid-point are in the 2-million-dollar range, however forecast is more favorable due to the above-mentioned factors.

Revenue is slightly favorable at \$502,000 (.82%) reflecting the **first State Aid output reports. State Aid** is unfavorable at \$73,000 reflecting the deduction from foundation aid for the District's local share (\$48,000) to other District's providing instruction to foster students who originated at SGCS. Transportation Aid is unfavorable at \$23,000 reflecting expenditures for 21/22 being less than the District estimated when reporting to SED at the end of 20/21. **Interest income** is projected to be favorable at **\$400,000** as basis points are now 300 basis point above the prior year and approaching levels not seen in over a decade.

Expenditures are favorable at \$2,572,000 (4.20%). Staffing, salary and wages reflect approximately \$1,500,000 of the projected savings and are trending at a favorable 5% variance. Grant subsidies (\$1.2 million) and turnover are the main factors driving the savings. Employee Benefits generate \$790,000 in savings with Medical Benefits at \$260,000 and ERS pension at \$293,000 contributing to the favorable activity. The impact of Tier 5 and Tier 6 are contributing to the ERS (non-certified personnel) savings and Medicare Advantage plans, grants subsidies and stable enrollment contribute to the medical insurance savings. **Key areas such as Special Education** are trending under budget through the four months of the school year but I typically will not show any significant savings in the volatile public and private tuition categories until the final projection in the spring.

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 \$5,403,400. The District utilized \$4,519,504 to balance the 2022-2023, \$150,000 more than the prior year.

The objectives over the remaining fiscal year will be to achieve 6% savings on Expenditures 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 6 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

- Report displays Fund Balance analysis
- Departmental/Categorical line item budget vs. projected expenditures (A-2)
- Revenue detail analysis which shows categorical Revenue (A-3) projections vs. projected year-end Revenue
- Appropriation Status report (A-4) as of December 31, 2022 which displays original and amended budget vs ytd expenditures

I will have the above reports and narrative ready for the first or second board meeting in January and please let me know if you have any questions or require additional information.

