



Memorandum

To: Dr. Kevin McGowan

From: Lou Alaimo

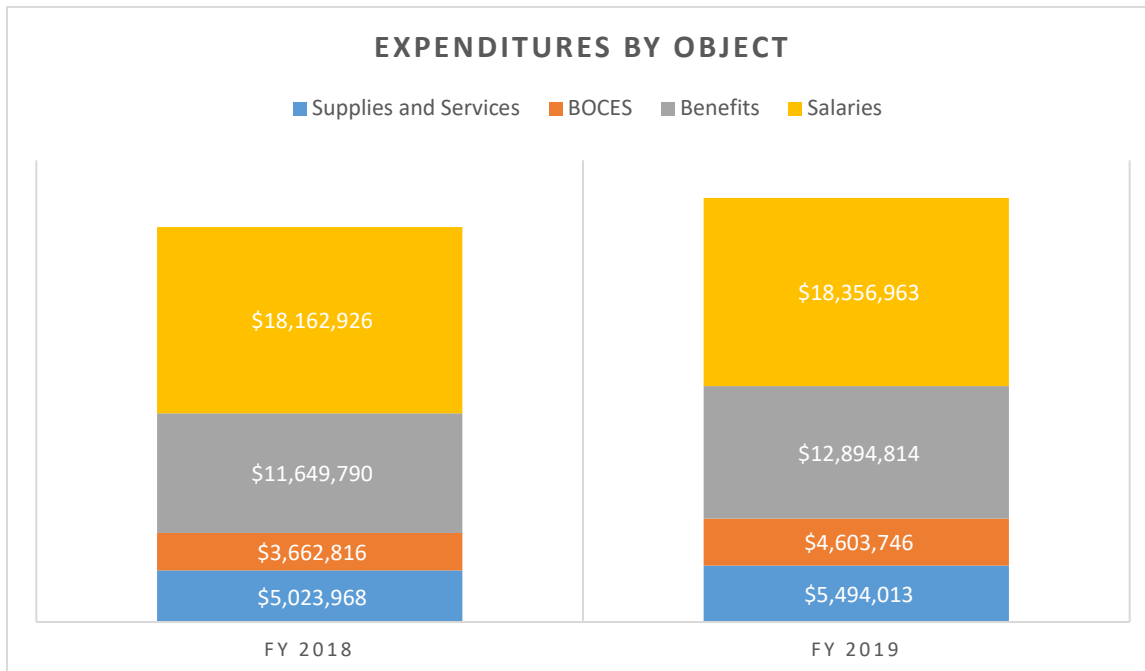
Date: April 9, 2019

Re: Executive Summary: Budget Status Report

The purpose of this memo is to provide an executive summary of the Budget Status Report for the period ending February 28, 2019.

Year-to-Date Expenditures

As of February 28, 2019, YTD expenditures totaled \$41,349,536. Compared to the prior year-to-date expenditures at February 28, 2018, spending is \$2,850,036, or 7.4% higher. The chart below provides a comparison of the major cost drivers:



Salaries and Wages: YTD payroll expense is \$194,037, or 1.1% greater than prior year:

Salaries	2018 YTD	2019 YTD	Change	% Change
Admin	\$ 1,519,453	\$ 1,554,475	\$ 35,022	2.3%
Teaching/Supervision	12,601,385	12,671,444	70,059	0.6%
Non-Certificated	4,042,088	4,131,044	88,956	2.2%
	<u>\$ 18,162,926</u>	<u>\$ 18,356,963</u>	<u>\$ 194,037</u>	<u>1.1%</u>

Through February 28th, the number of payrolls processed match prior year. Salary and wage groupings reflect contractual increases, less attrition from retirements, and certain vacancies.

Employee Benefits: YTD Benefits expense is \$1,245,024, or 10.7% greater than FY 2018. Health insurance increases are the primary driver. Our trends are consistent with rate increase and overall increase in participation in district-sponsored plans. We would expect retirement costs to be greater than prior year due to the increase in employer contribution rates. Payroll taxes will be consistent with increase in wages in future months. Other benefits increased due to new employees enrolling in the high deductible plan and receiving a contribution to a health savings account. Otherwise, other benefits would decrease due to a drop in workers' compensation premiums.

Employee Benefits	2018 YTD	2019 YTD	Change	% Change
Health Insurances	\$ 8,073,720	\$ 9,093,274	\$ 1,019,554	12.6%
Retirement	1,833,507	2,001,278	167,771	9.2%
Payroll Taxes	1,368,784	1,391,759	22,975	1.7%
Other Benefits	373,779	408,503	34,724	9.3%
	<u>\$ 11,649,790</u>	<u>\$ 12,894,814</u>	<u>\$ 1,245,024</u>	<u>10.7%</u>

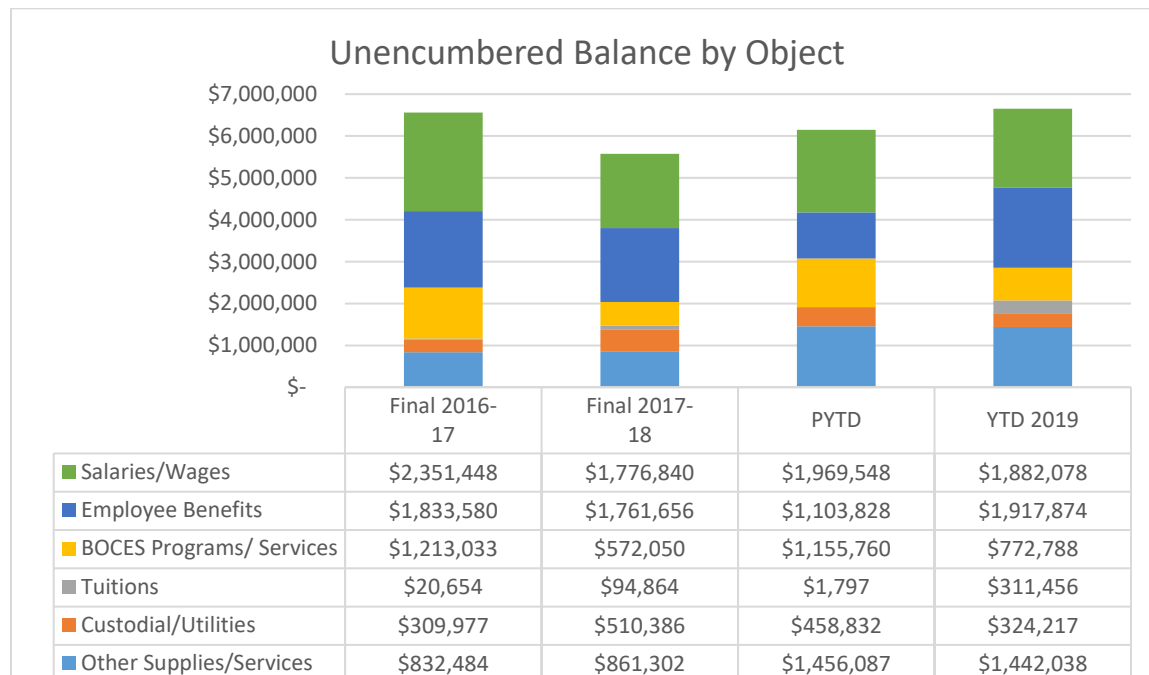
BOCES: Below is a breakdown of the primary BOCES functions subscribed to by the District. The variances are primarily due to number of payments processed plus an increase in technology spending related to the 1:1 program.

BOCES	2018 YTD	2019 YTD	Change	% Change
Admin Fees	\$ 385,279	\$ 439,162	\$ 53,883	14.0%
Business/Technology Services	502,872	596,901	94,029	18.7%
General Ed/Professional Dev.	376,596	442,368	65,772	17.5%
Special Education	1,419,700	1,817,433	397,733	28.0%
Occ Education	228,780	243,806	15,026	6.6%
Instructional Technology	509,747	716,926	207,179	40.6%
Transportation	239,842	347,150	107,308	44.7%
	<u>\$3,662,816</u>	<u>\$ 4,603,746</u>	<u>\$ 940,930</u>	<u>25.7%</u>

Supplies and Services: YTD expenses on supplies and services are \$470,045 higher than prior year. Below is a comparison of significant cost drivers. The most significant variances are related to timing differences in payment of invoices:

Supplies, Services, Transfers	2018 YTD	2019 YTD	Change	% Change
Legal Fees	\$ 42,735	\$ 77,172	\$ 34,437	80.6%
Utilities/Custodial	580,371	561,747	(18,624)	-3.2%
Maintenance Projects	264,962	381,847	116,885	44.1%
Printing/Mailing	84,809	92,296	7,487	8.8%
Insurances	205,049	210,598	5,549	2.7%
Assessments and Dues	59,667	38,398	(21,269)	-35.6%
School Supplies and Materials	519,378	528,549	9,171	1.8%
Charter School Tuitions	123,478	121,876	(1,602)	-1.3%
Spec Ed. Contracts/Tuitions	1,003,980	689,020	(314,960)	-31.4%
Contract Transportation	1,178,451	1,800,101	621,650	52.8%
Debt Service/Transfers	114,731	260,047	145,316	126.7%
All Other Supplies and Services	846,357	732,362	(113,995)	-13.5%
	\$5,023,968	\$ 5,494,013	\$ 470,045	9.4%

Unencumbered Balances - The unencumbered balance as of February 28, 2019 is estimated at \$6,650,451. Below is a comparison to prior year projected-to-actual:



The District will closely monitor trends in the high risk categories presented in this chart. Below are the preliminary recommendations for the use of fund balance at year-end:

Recommended Use:	\$ Amount
Appropriate for use in 2019-20	\$2,600,000
Transfer to Capital for BOCES 1 Project	\$1,800,000
Replenish Reserves Used for Operations	\$800,000
Replenish Capital Reserve	\$1,400,000
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	\$6,600,000