



## Memorandum

**To:** Dr. Kevin McGowan

**From:** Lou Alaimo

**Date:** July 2, 2019

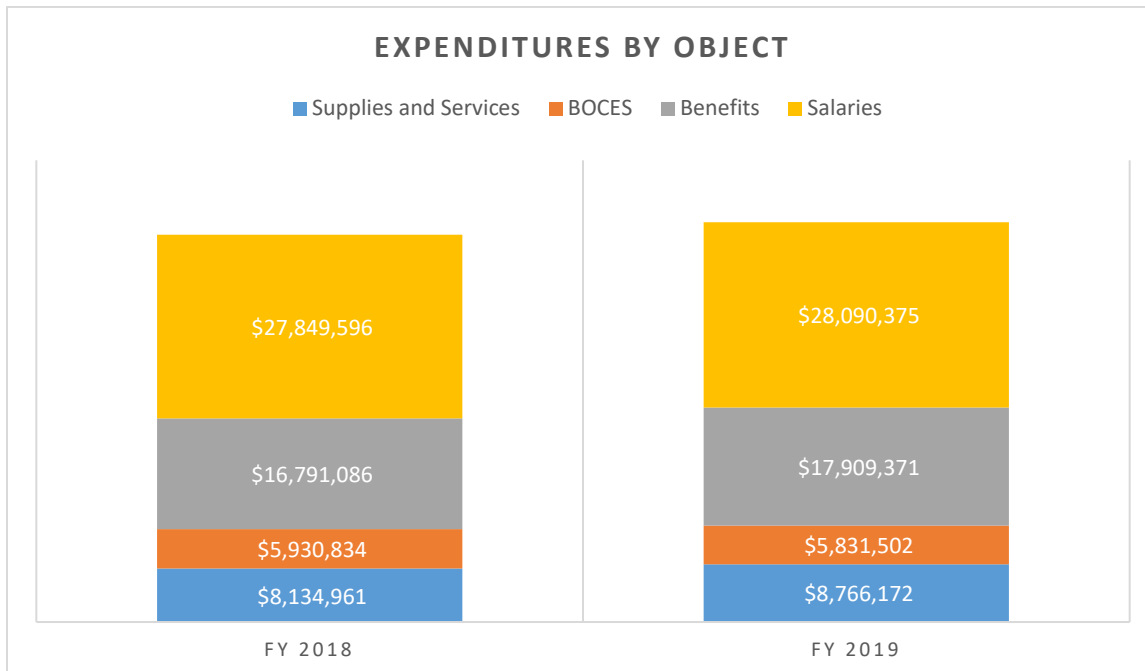
**Re:** Executive Summary: Budget Status Report

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The purpose of this memo is to provide an executive summary of the Budget Status Report for the period ending May 31, 2019.

### Year-to-Date Expenditures

As of April 30, 2019, YTD expenditures totaled \$60,597,420. Compared to the prior year-to-date expenditures at May 31, 2018, spending is \$1,890,943, or 3.2% higher. The chart below provides a comparison of the major cost drivers:



Salaries and Wages: YTD payroll expense is \$240,779 or 0.9% greater than prior year:

Salaries	2018 YTD	2019 YTD	Change	% Change
Admin	\$ 2,143,790	\$ 2,192,091	\$ 48,301	2.3%
Teaching/Supervision	19,741,895	19,818,574	76,679	0.4%
Non-Certificated	5,963,911	6,079,710	115,799	1.9%
	<u>\$ 27,849,596</u>	<u>\$ 28,090,375</u>	<u>\$ 240,779</u>	<u>0.9%</u>

Through May 31st, 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 \$1,118,285, or 6.7% 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. In March, the District reclassified health insurance opt-out payments to the Health Insurance object series. It was previously accounted for in Other Benefits.

Employee Benefits	2018 YTD	2019 YTD	Change	% Change
Health Insurances	\$ 11,370,521	\$ 12,186,602	\$ 816,081	7.2%
Retirement	2,839,300	3,084,605	245,305	8.6%
Payroll Taxes	2,097,286	2,132,927	35,641	1.7%
Other Benefits	483,979	505,237	21,258	4.4%
	<u>\$ 16,791,086</u>	<u>\$ 17,909,371</u>	<u>\$ 1,118,285</u>	<u>6.7%</u>

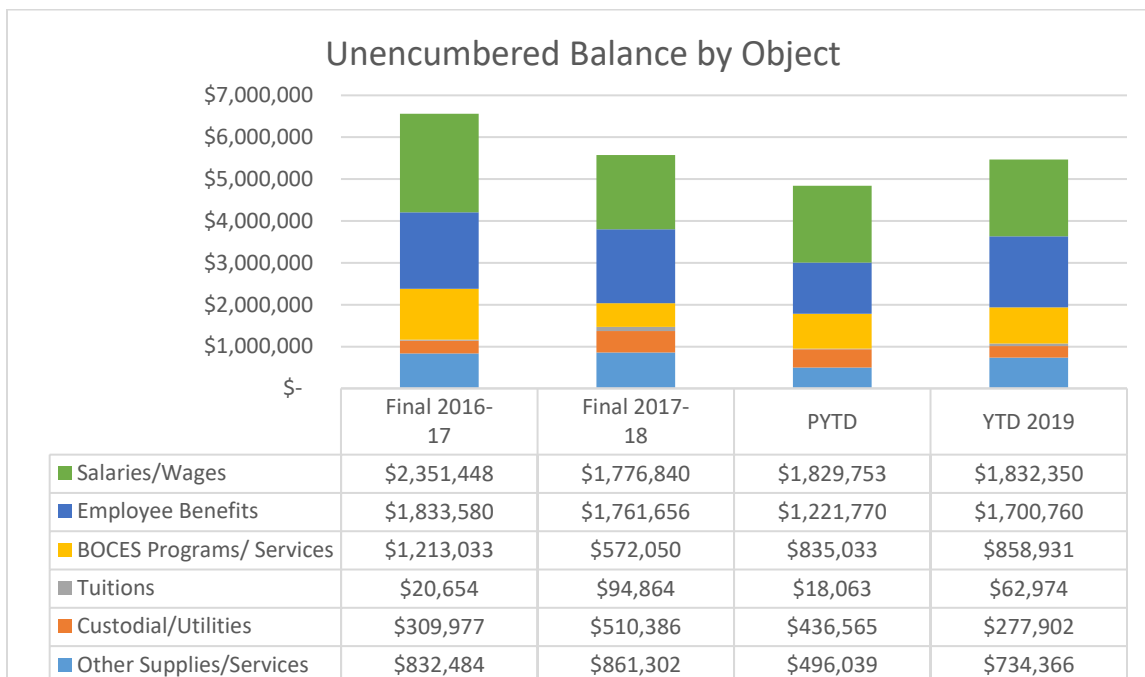
BOCES: Below is a breakdown of the primary BOCES functions subscribed to by the District.

BOCES	2018 YTD	2019 YTD	Change	% Change
Admin Fees	\$ 642,132	\$ 571,024	\$ (71,108)	-11.1%
Business/Technology Services	518,220	714,549	196,329	37.9%
General Ed/Professional Dev.	555,387	557,696	2,309	0.4%
Special Education	2,491,241	2,459,675	(31,566)	-1.3%
Occ Education	381,300	318,248	(63,052)	-16.5%
Instructional Technology	783,820	747,245	(36,575)	-4.7%
Transportation	558,734	463,065	(95,669)	-17.1%
	<u>\$5,930,834</u>	<u>\$ 5,831,502</u>	<u>\$ (99,332)</u>	<u>-1.7%</u>

**Supplies and Services:** YTD expenses on supplies and services are \$631,211 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	\$ 68,472	\$ 99,771	\$ 31,299	45.7%
Utilities/Custodial	848,960	942,025	93,065	11.0%
Maintenance Projects	365,336	555,270	189,934	52.0%
Printing/Mailing	139,039	128,277	(10,762)	-7.7%
Insurances	205,205	210,895	5,690	2.8%
Assessments and Dues	59,753	77,718	17,965	30.1%
School Supplies and Materials	689,954	709,441	19,487	2.8%
Charter School Tuitions	141,143	186,357	45,214	32.0%
Spec Ed. Contracts/Tuitions	1,339,845	1,300,626	(39,219)	-2.9%
Contract Transportation	2,241,459	2,677,624	436,165	19.5%
Debt Service/Transfers	561,694	553,050	(8,644)	-1.5%
All Other Supplies and Services	1,474,101	1,325,118	(148,983)	-10.1%
	\$8,134,961	\$ 8,766,172	\$ 631,211	7.8%

**Unencumbered Balances:** The unencumbered balance as of May 31, 2019 is estimated at \$5,467,283. 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:

<b>Priorities for Disposition of Surplus</b>	<b>\$ Amount</b>
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	\$300,000
	<b>\$5,500,000</b>