

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the slide, framing the central white area.

Budget Update FY23 & FY24

Presentation to School Committee

September 5, 2023

FY23 Budget Update

- ▶ General Fund Revenue: +\$191K vs. budget
 - ▶ \$161K interest income surplus due to rising rates. \$100K is from construction (vs. \$10K in FY22). Recommend transfer to Stabilization (now \$0) once E&D is certified.
 - ▶ \$51K unbudgeted health insurance reimbursements (COVID-suppressed utilization)
 - ▶ Transportation aid: \$42K < budget: route consolidation has reduced reimbursable costs. First year since FY16 with \$0 excess to fund Transportation Stabilization.
 - ▶ Net \$92K revenue surplus after moving construction interest to Stabilization - reduces \$520K E&D used/needed to \$428K
- ▶ General Fund Expense: +\$336K vs. budget (1.1%)
 - ▶ +\$258K from early June presentation to School Committee due to:
 - ▶ +\$60K resolution of utilities billing delays from National Grid (see 8/22 voucher memo)
 - ▶ +78K OOD transport & special ed. contracted: end of May/June savings vs. encumbrances
 - ▶ +\$33K IT & Facilities capital projects that will occur in early FY24 vs. late FY23
 - ▶ +\$64K personnel variance to forecast (0.35%) primarily leave related
- ▶ Net E&D use/need reduced to \$92K from \$520K, but large portion of savings (\$200K+ from interest income, interim admin. savings) is non-recurring

FY23 Reserves Update

- ▶ **School Choice: \$1.46 million est. at year end**
 - ▶ Down \$28K vs. FY22 due to timing of OOD reimbursements from sending communities
 - ▶ \$117K spent in July after year end on turf replacement
- ▶ **Stabilization: \$0 currently**
 - ▶ \$88K at year end spent on turf replacement in July
 - ▶ \$100K construction interest income may be transferred in after FY23 E&D is certified
- ▶ **E&D: \$1.26 million preliminary est.**
 - ▶ +\$30K vs FY22. Savings in FY23 offset expected uses.
- ▶ **Facilities Rental: \$282K**
 - ▶ +\$12K in FY23 vs. FY22
- ▶ **Total: \$3.08 million estimated FY23 ending balance (10.3% of FY24 budget)**

FY24 Reserves Needs

- ▶ \$876K turf field remaining to fund
- ▶ \$315K placeholders from FY24 portion of capital plan:
 - ▶ \$37K security enhancements
 - ▶ \$40K accessibility compliance
 - ▶ \$224K MSHS smartboard replacement
 - ▶ \$14K MSHS furniture
- ▶ Total = \$1.2 million FY24 needs - yields projected reserve balance of \$1.7 million heading into FY25 budget season = 5.6% of est. FY25 budget
 - ▶ Addition of \$131K construction interest to Stabilization (incl. \$10K FY22, \$21K FY21 not previously moved) = \$1.83 million or 6.0% of FY25
 - ▶ With full town reimbursement of \$1.2 million turf = \$3.03 million or 10.0% of FY25
- ▶ Preliminary FY25 revenue deficits:
 - ▶ \$665K at 3.5% total assessment - yields reserve balance of \$1.03 million, or 3.4% of FY25 budget (or \$2.36 million/7.8% with town turf reimbursement and addition to stabilization)
 - ▶ \$1.3 million at 2.5% to Essex = reserve balance of \$395K or 1.3% of FY25 budget (\$1.73 million or 5.7% w/turf reimb. and stabilization)