

July Year End Finance Report

Income:

Scattergood's total income ended the year at \$2.2M well over the budgeted \$1.8M.

Annual Giving: Annual Giving did not reach the budgeted amount of \$250k and ended at \$177k. The shift from the annual fund to the capital campaign resulted in fewer monthly donations to the school than anticipated. The Development committee authorized the transfer of balance to the annual fund from the capital campaign to meet the shortfall.

Summer: Summer programs revenue came in \$3k under budget BUT performed higher than the two previous summer revenues.

Measey Fund: The Measey Fund distribution brought in over \$850k well over the conservatively budgeted amount of \$425k.

Tuition Revenue: Tuition Revenue performed around \$160k below the projected \$780k budget. The lower monthly tuition revenues resulted in far less available cash flow making the school rely heavily on the Measey Fund to maintain monthly expenses.

Expenses:

The school's expenses outpaced income for the full year of operation. Many of the line items in the year-end financials are over their budget. Of the items in the budget, only seven expense categories remained in the budget or fell under budget projections.

Below are a few notable budget overages:

Personnel Costs- Some shifts in staffing led to savings from the projected \$1M to just under \$980k for payroll. However, health care expenses increased the personnel costs by \$90k. The school anticipated the increased costs and looked for other PEO providers in early spring. The Health Care program is HIGHLY favorable among staff and no action was taken with competitors despite some savings available with a new vendor. Scattergood continues to pay 100% of the Health care for the employee without a cost share.

Administrative Expenses: This line operates mostly as a catchall for expenses that are uncategorized or unexpected. It currently includes Travel, consultant fees, contract items, and special projects.

Admissions: The loss in admissions reflects the long-term contract with NICHE this multi-year contract totals 24k annually before anything is spent.

Development: The overage in the development budget is due to the capital campaign. There is not currently a separate capital campaign budget reflected in this report to delineate between regular development work/capital functions.

Upcoming Concerns/Items:

The audit continues. The current audit has stalled due to data requested from the Foundation. The auditors have asked to meet with Foundation Trustees to determine if they can resolve the issues. The school is not able to close out FY 22/23 and was advised that a lack of resolution from the Foundation will mean that they cannot complete the audit. The school would have to do a full audit and scrap the compilation to be compliant with GAAP standards if the audit cannot continue.

We are currently transitioning to QuickBooks online. We begin FY 24 with the new system allowing us to automate several functions in the business office while also learning at the same time.

What's on the horizon? Completing the Audit, Transitioning to QB online

Respectfully Submitted, Kim Jones