

**SCHOOL ADMINISTRATIVE UNIT #70**  
Dresden, Hanover, and Norwich School Districts

Memorandum

**To:** Hanover School Board  
Jay Badams PhD, Superintendent  
Lisa Sjostrom, Principal  
Rhett Darak, Special Education Director

**From:** Jamie Teague, Business Administrator

**Re:** Financial Report – July 1 through March 31, 2018

**Date:** April 11, 2018

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**General Fund:**

The first page is a Revenue Report. At this point in time, it appears that we will meet our budgeted revenue line items. The following revenue accounts are running higher than projected: Summer School Tuition is up \$6,680, Interest from Investments is up \$29,593, and prior year expenditure refunds are up \$34,372. All of the other state monies have been accounted for and are on target, except Catastrophic Aid, which may come in lower than expected due to proration at the state level in the amount of \$59,439. Federal revenues are the only questionable amounts as Medicaid Reimbursements have many moving parts.

The next three pages are a consolidated line item Expenditure Report for the general fund budget. The line items have been consolidated by Object codes: “100” Salaries, “200” Benefits, “300” Contracted Professional Services, “400” Purchased/Contracted Property or Maintenance Services, “500” Tuition/Travel/Communications/Insurances, “600” Supplies, “700” Equipment, “800” Dues/debt, and “900” Transfers. This report subtotals expenditures by Function area, such as “1100” Regular Instructional, “1120” Technology, “1200” Special Education, etc. As you can see, many of the line items show variances. At this point in time, I am going to discuss the larger sections of variances.

The regular education salary lines are trending under by \$62,552 due to turnover and long term outages; which by the end of the year may even out as the substitute wages line is already overspent by \$25,987 and we are reporting on 9 months of school with 2.5 months remaining. The regular education benefits lines are trending over by \$37,144 due to in part to elections in benefit levels. All of the other discretionary lines (“300” to “800” objects) together have \$54,074 remaining to spend representing approximately 2.6% of those budgets.

The technology lines are still carrying a discretionary balance of \$1,960 which is .61% of the total budget with all salaries and benefits encumbered.

The special education expenditures when totaled (1200/1210/1220/1240) are running as follows: Salaries in total are running under budget \$106,763 even though Specialist are running over \$22,004, there have been a few open aide positions and turnover which have resulted in these salary lines running under budget by \$123,176. The benefits sections are running over by a total of \$21,197. We are currently running under in the contracted service lines of \$32,502, Tuition is running under by \$32,502 (over in K-6 and under in 9-12), supply lines are running under \$10,789 and the equipment lines under \$6,719. The tuition lines are running over by \$139,082.

We have previously reported on the challenges being faced in the English as Second Language learners student population. In an effort to meet the students' needs, the school board increased the teaching FTE's in November and we are currently running over budget in the amount of \$44,491.

Guidance is running on budget and Nursing is running under budget \$22,664 in the salary/benefit lines due to changes in support personnel. Curriculum Development is running under budget by \$12,375 but projects are on going and this should be spent out by end of year. Staff Development had discretionary funds remaining in the amount of \$38,887 and the bulk of this should be expensed by the end of the year. Media/Library services are also running under budget by \$8,151 and I expect all of this to be spent on textbooks and equipment.

In the administration realms, we are running on target. The School Board section has 32.3% of the budget in the amount of \$20,776 still available. Superintendent services have been completely paid, and the Contingency line is intact at \$35,000. The Principal's department salaries and benefits when combined are running under by \$14,871 with the discretionary line items also running under by \$19,046. The general plant maintenance budgeted lines have 11.2% or \$8,995 remaining and the custodial services budgeted lines have 2.7% or \$13,635 remaining with salaries/benefits being fully encumbered. The grounds maintenance lines have been fully encumbered. There are a few projects still being planned for site improvements and we have \$7,205 remaining, while the building improvement projects have been completed in the amount of \$50,588.

The transportation lines are running over budget due in part to encumbrances for fuel expenditures and mileage reimbursements that have yet to be booked. By the end of the year, we will most probably over-expend the fuel account by \$34,115 as it has been under budgeted based on historical costs. The special education transportation expense is running under budget by \$11,953 and we are running under budget by \$20,805 in the field trips line, which I expect will be spent down as most trips occur near the end of the school season. Debt service is on budget and transfer to food is running on target with just under 30.7% spent.

#### **Grants:**

The district has recognized federal grant awards totaling \$161,118. We have expensed approximately 45%. Often grants are used to offset the salary and benefit cost of various special initiative staff positions.

#### **Ray Café Food service:**

There have been many changes in personnel this year and just this week we added a new technician. Attached please find the revenue and expense report through March 2018. We are presently running over budget by \$24,425.