

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

Memorandum

To: Norwich School Board
Jay Badams, PhD, Superintendent
William Hammond, Principal

From: Jamie Teague, Business Administrator

Re: Financial Report

Date: February 13, 2018

This narrative speaks to the district's expenditure report for the period July 1, 2017 through December 31, 2017, which was originally handed out at the January 11, 2018 meeting. There have been some personnel changes between the 1100 and 1200 funding lines. The updated report is attached. The expanded report has been emailed to you and can be viewed on the district's website.

General Fund:

The first page is a Revenue Report. At this point in time, it still appears that we will not meet our budgeted local revenue line items for Tuition or Prior Year Expenditure refunds in the amounts of \$12,800 and \$917.65 respectively. Our cash accounts are producing higher than expected earnings, currently \$5,983 above expected, as we payout encumbrances this growth may slow down. All of the other state monies have been accounted for and are on target, other than the Special Ed Expense Reimbursements and Extraordinary, which are based on actual expenditures for the time periods we are in. As mentioned earlier in December, the first quarter SEER report only had 2 months of data and yielded lower than expected amounts. We are currently being audited by the VT AOE and have made some necessary adjustments to reimbursement information, which may lower our original projections. The next trimester report will be filed at the end of February, so we will have a better idea of revenue projections for the March board meeting. We have received unanticipated funds for a state placed student in the amount of \$9,195.

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/Comm/Insur, "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 by the Object designation. The more expanded report is also available which shows every line item included in the budget.

In the Salary sections ("100"), we are presently trending a deficit of \$129,197, this is after all available grant fund offsets have been applied other than Medicaid funding. The most noteworthy deficit sections are "1100" Teachers & Regular Ed Assistants – \$56,213 and \$8,979; "1200" Specialists –\$52,651 and "1200" Ed-Assistants – \$23,951. We still have other liabilities within the salary section including Substitute wages with \$12,795 in remaining funds and Tutor wages with \$5,851 in remaining funds; both are not encumbered ahead.

In the Benefit sections ("200"), we are presently trending a surplus of \$46,420. There is also \$42,216 remaining in funding for Staff Development, which will be spent down. We will update all of the changes in the health insurance premium savings and the offsetting HRA costs along with projected trend on the March report.

In the Professional Services sections ("300"), we are trending a deficit of \$14,940 due to costs for EEE speech services presently encumbered and overspent in the amount of \$30,071 and Negotiation services presently encumbered and overspent in the amount of \$29,330. There are still many services with funds remaining in this area, which will be spent down. The unfunded liability in this section may be as high as \$59,401.

In the Contracted Services sections ("400"), – Grounds & Equipment Maintenance as well as Special Ed Testing reported here, we presently have a positive balance of \$7,799; however the special education lines are overspent by \$16,838.

In the Other Purchased Services sections ("500") – Tuition/Travel/Comm & Insurance, we are presently trending a surplus of \$96,640. Most notable variances include PreK Tuition over by \$9,466, Tuition for 9-12 is under by \$27,200, General Insurance under by \$6,963, General student transportation under by \$53,795, Special Ed Transportation under by \$2,196 and Field Trips under by \$10,335. Many of these lines will be spent down over the next 6 months. We should however realize the savings in the General Student Transportation section due to a route consolidation.

In the Supplies/Textbook sections ("600") we are presently trending a surplus of \$47,004; most all of this section will be spent over the next 6 months for classroom instruction.

In the Equipment sections ("700") we are presently trending a surplus of \$7,740, again most of this will be spent.

In the Dues and Debt service sections ("800") we are trending a surplus of \$4,882, we may see some small savings in these lines.

In the Food Service transfer section ("900") we are trending a surplus of \$8,202, which will most probably be spent down over the next 6 months.

We will restate year end projections at the March meeting once the AOE audits potential effect on revenues is known and we have a better projection of Medicaid funding.