

**NORWELL PUBLIC
SCHOOLS**

Third Quarter

FY 2006

Financial Statements And Summary

As of

March 31, 2006

**Forecast Adjusted for Actions by May 8th
Special Town Meeting**

OVERVIEW

- **Overall Expenditures on Budget.**
 - **FY 05-68.03% of Budget - \$10,877,755**
 - **FY 06-68.83% of Budget - \$11,061,418**
 - **Forecast at end of 3rd Quarter indicates we will be within .1% of Budget.**
 - **This provides ample room to adjust expenditures to remain within budget.**
 - **Weekly forecast will be prepared throughout the month of June.**

MAJOR YEAR TO YEAR VARIANCES

- **High School Principal position open 9 months.**
- **Hiring Director Teaching, Learning and Technology vs. individually replacing the Director of Instruction and Director of Technology.**
- **Three Administrators not teaching this year.**
- **High School Librarian position not filled with Middle School position reduced to a .6 assignment and Elementary Library Aides reduced to .8.**
- **Text expenditures down due to budget reduction.**
- **Food Service subsidy eliminated with department operating entirely on Food Service revenue.**

MAJOR YEAR TO YEAR VARIANCES - Continued

- **Increased services required for Summer School.**
- **Decrease in Professional Development expense due to budget reduction and timing.**
- **Increased need for SPED tuitions.**
- **State funding of Circuit Breaker increased.**
- **Major increases in the cost of energy.**
- **First year of Superintendents longevity payments.**
- **Advertising up due to need to fill open positions resulting from turnover.**

NORWELL PUBLIC SCHOOLS

FY 2006 3rd Quarter Financial Summary

PROGRAM	FY 05 Actual School Committee Expenditures	FY 2006 School Committee Maintenance Level Budget	FY 2006 Post Override Budget Reductions	FY 2006 School Committee Appropriated Post Override Budget	Actual School Committee FY 05 Expenditures Thru 03.31.05	Actual School Committee FY 06 Expenditures Thru 03.31.06	Per Cent FY 2005 Actual Expended thru 03.31.05	Per Cent FY 2006 Budget Expended thru 03.31.06	FY 2006 Budget Forecast as of 03.31.06
EDUCATIONAL PROGRAMS									
+ REGULAR EDUCATION	\$9,172,041	\$9,925,869	(\$636,286)	\$9,280,541	\$6,284,865	\$6,170,785			\$9,058,241
+ TEACHER LEADERS	\$110,846	\$116,025	\$0	\$116,025	\$75,154	\$78,309			\$116,015
+ SPECIAL EDUCATION	\$2,379,667	\$2,512,946	(\$7,932)	\$2,509,514	\$1,603,238	\$1,781,356			\$2,591,886
+ SPED TUITIONS (Net)	\$758,439	\$692,165	\$0	\$692,165	\$663,396	\$773,431			\$749,303
+ TEXTBOOKS (Reg & SPED)	\$100,961	\$120,500	(\$76,400)	\$44,100	\$52,968	\$47,100			\$51,018
+ INSTRUCTIONAL TECHNOLOGY	\$159,164	\$178,146	(\$36,000)	\$142,146	\$87,905	\$97,687			\$151,350
+ PROFESSIONAL DEVELOPMENT	\$94,506	\$108,980	(\$16,880)	\$92,100	\$52,793	\$30,731			\$93,580
+ SEVERANCE BENEFITS	\$220,312	\$103,875	\$0	\$103,875	\$105,615	\$7,372			\$79,111
+ GRANT FUNDING (SPED)	(\$422,584)	(\$380,310)	(\$42,000)	(\$422,310)	(\$274,088)	(\$301,997)			(\$429,006)
TOTAL	\$12,573,352	\$13,378,196	(\$815,498)	\$12,558,156	\$8,651,845	\$8,684,773	68.81%	69.16%	\$12,461,498
ALLIED EDUCATIONAL SERVICES									
+ HEALTH	\$205,076	\$223,400	\$0	\$223,400	\$141,097	\$150,003			\$226,344
+ TRANSPORTATION									
* Regular (Net of Fees)	\$351,863	\$390,500	(\$10,000)	\$380,500	\$219,333	\$242,144			\$385,500
* Sped	\$241,537	\$281,900	\$0	\$281,900	\$140,606	\$169,252			\$264,000
+ FOOD SERVICE	\$15,700	\$16,000	(\$16,000)	\$0	\$15,000	\$0			\$0
+ ATHLETICS (Net of Fees)	\$247,142	\$250,000	(\$50,000)	\$200,000	\$132,890	\$146,531			\$200,000
+ CO-CURRICULAR (Net of Fees)	\$63,322	\$65,765	\$0	\$65,765	\$11,295	\$13,244			\$70,465
TOTAL	\$1,124,640	\$1,227,565	(\$76,000)	\$1,151,565	\$660,220	\$721,173	58.70%	62.63%	\$1,146,309
EDUCATIONAL SUPPORT SERVICES									
ADMINISTRATION	\$616,862	\$618,544	(\$14,228)	\$601,358	\$425,406	\$453,340			\$669,756
FACILITIES & OPERATIONS	\$1,670,148	\$1,801,440	(\$94,274)	\$1,754,666	\$1,139,708	\$1,201,434			\$1,791,826
COMMUNITY SERVICE	\$5,046	\$4,800	\$0	\$4,800	\$576	\$697			\$5,300
FIXED ASSETS	\$0	\$0	\$0	\$0	\$0	\$0			\$0
TOTAL	\$2,292,056	\$2,424,784	(\$108,502)	\$2,360,824	\$1,565,690	\$1,655,471	68.31%	70.12%	\$2,466,881
GRAND TOTAL	\$15,990,049	\$17,030,545	(\$1,000,000)	\$16,070,545	\$10,877,755	\$11,061,418	68.03%	68.83%	\$16,074,688

FY 2006 3rd QUARTER FORECAST

- **Teaching Salaries Leaves, unplanned mid-year resignations, and hiring at lower steps, yielding a savings partially offset by maternity leaves and a small increase in grants.**
- **Medical Therapeutic Above budget due to:**
 - **(1) the need to temporarily contract for services and restructure Occupational Therapy**
 - **(2) IEPs requiring more specialist intervention.**
- **Guidance Counselor on leave replaced by long term substitute yielding a savings.**
- **Severance Below budget due to timing of payments.**
- **Aides One less SPED aide required plus turnover reduced budgeted cost.**

FY 2006 3rd Quarter Forecast (Continued)

- **Out of District (SPED) Tuitions**
 - Tuitions over budget partially offset by higher Circuit Breaker payments. (Higher funding by Legislature).
 - Increase in tuition cost due to the loss on an appeal by another town regarding a cost sharing issue.
- **Fill-in Text Need exceeded budget.**
- **Instructional Equipment Replacement of copiers with new models reduced lease and maintenance costs.**
- **Technology Maintenance Network support required the hiring of outside contractor.**

FY 2006 3rd Quarter Forecast (Continued)

- **Libraries** Hiring of High School librarian delayed until new principal hired.
- **Regular Transportation** Fees are under budget.
- **SPED Transportation** Fewer McKinney Vento students requested transportation to home district.
- **Athletics** Additional receipts (Boosters) funded athletic trainer and fund balances used to off-set expenses.
- **Heat & Electricity** Significant increase in rates partially off-set by aggressive energy conservation.

FY 2006 3rd Quarter Forecast (Continued)

- **Custodial Services**

- Custodian resigned end of 3rd quarter.
- Mild Winter required less overtime
- Custodial Supplies below budget due to timing.

- **Administration**

- **(1) Unexpected legal fees for SPED mediations and an ongoing legal suit.**
- **(2) Additional advertising required to support hiring needs due to turnover.**

Major Budget to Forecast Variances

Expense	Budget	Forecast	Variance
Teaching Salaries	\$8,590,363	\$8,522,912	\$67,451
Medical Therapeutic	\$580,112	\$660,501	(\$80,389)
Guidance	\$536,291	\$523,731	\$12,560
Severance (Teachers)	\$96,500	\$71,736	\$24,764
Aides	\$582,139	\$565,860	\$16,279
SPED Tuitions	\$987,682	\$1,146,653	(\$158,971)
Circuit Breaker	(\$295,517)	(\$397,350)	\$101,833

Major Budget to Forecast Variances (Continued)

Expense	Budget	Forecast	Variance
Fill-in Text	\$41,600	\$47,071	(\$5,471)
Instructional Equip	\$42,400	\$34,394	\$8,006
Libraries	\$146,129	\$102,730	\$43,399
Regular Transportation	\$380,500	\$385,500	(\$5,000)
SPED Transportation	\$281,900	\$264,000	\$17,900
Technology Maint	\$72,500	\$83,125	(\$10,625)

Major Budget to Forecast Variances (Continued)

Expense	Budget	Forecast	Variance
Heat	\$278,246	\$307,800 (*)	(\$29,554)
Electricity	\$358,280	\$375,000 (*)	(\$16,720)
Custodial Services	\$720,250	\$700,507	\$19,743
Principal Salary & Admin Merit	\$634,288	\$562,730	(\$71,558)
Legal Fees	\$25,000	\$88,000	(\$63,000)
Advertising	\$9,000	\$16,500	(\$7,500)

Budget Variances – Managing Uncertainty

- Number of uncontrollable and unplanned events occurred after the budget was finalized.
 - This year budget finalized in August, normally finalized in April before Town Meeting.
 - Some had **negative** financial implications.
 - Some had **positive** financial implications.

Budget Variances – Managing Uncertainty

Month	ACTION	Budget	Adjusted Cost	Budget Impact
Sept to June	Medical Therapeutic Personnel resigned plus IEPs increased	\$580,112	\$660,501	(\$80,389)
Sept to June	Energy Prices Increased	\$636,526	\$682,800	(\$46,274) (*)
Mar	DOE ruled against Norwell in case by another town re SPED tuition cost share			(\$75,000)
	Total Cost Increase			(\$201,663)

Budget Variances – Managing Uncertainty

Month	ACTION Faculty Changes	Budget	Adjusted Cost	Budget Impact
Aug	2 Hires below Budget	\$98,750	\$84,174	\$14,576
Aug	Resignation	\$67,215	\$49,215	\$18,000
Sept	Leave of Absence	\$58,412	\$43,398	\$15,014
Oct	Resignation	\$46,807	\$32,602	\$14,205
Jan	2 Resignations	\$120,696	\$92,662	\$28,034
	Total Savings			\$89,829

FY 2006 3rd
QUARTER FORECAST
OTHER FINANCIAL IMPACTS

- **Student Transportation Fees are currently \$4,850 below budget and will remain at this level.**
- **Activity and Athletic fees are \$6,525 below budget.**
- **Other Receipts are \$8,336 over budget with the potential for an additional \$13,500.**
- **Facility Use fees are tracking above budget. Year to date \$29,031 has been collected with \$15,625 outstanding.**
- **Pre-K fees are on budget.**

Quarter Revolving Accounts thru May 31, 2005

	Opening Balance	Receipts	Budgeted Receipts	Variance Budget minus Receipts	Expenses thru 04.30.06	Balance 04.30.06
Activity /Athletic Revolving Account						
Activity Fees		\$4,500	\$10,000	\$5,500		
Athletic Fees		\$58,975	\$60,000	\$1,025		
Athletic Receipts		\$33,336	\$25,000	-\$8,336		
Total	\$70,026	\$96,811	\$95,000	-\$1,811	\$94,279	\$72,559
Additional Receipts						\$13,545
Additional Expenses						\$42,627
Projected Balance						\$43,476
Facility Use Revolving Account						
Parking Fees		\$3,097				
Facility Revolving		\$29,031	\$10,000			
Total	\$17,067	\$32,128	\$10,000	-\$22,128	\$21,304	\$27,890
Accounts Receivable						\$15,625
Projected Balance						\$43,515
Community / Pre-K Revolving Account						
PreK	\$102,791	\$35,324	\$39,475	\$4,152	\$32,755	\$105,360
Accounts Receivable						\$4,152
Amounts Committed						\$9,978
Projected Balance						\$99,533
Transportation Fees Revolving Account						
Transportation	\$800	\$85,150	\$90,000	\$4,850	\$85,350	\$600
Amounts Committed						\$0
Projected Balance						\$600