

Quarterly Financial Report
December 2005

General

As the school district enters the second half of its fiscal year, some concerns for the increased cost of energy, legal services and potential special education tuition cost increases have occurred. While at present, these costs appear to be manageable; the administration will take precautionary steps in anticipation of the need to offset account deficits.

General Fund Revenue

State revenue increases in Chapter 70 and student transportation have stabilized the revenue budget. In fact, a slight revenue surplus (\$48,336) has been generated as a result. The attached FY2006 revenue budget is provided for your review.

General Fund Expenditures

In general, the FY2006 budget is currently within its approved amount. However, as stated in September, several areas of the budget are of concern and therefore have received a greater degree of attention. In particular, energy consumption and the increased costs related to fuel oil, electricity, and natural gas will cause an over-expenditure in these accounts. In an attempt to raise awareness for the need to conserve energy and reduce the budgetary impact of these price increases, the school district has established energy management guidelines and begun monthly consumption reports.

With regard to special education tuitions, at present the school district is within the approved budget. The Director of Pupil Personnel Services has informed me that there are some unresolved placements that may generate additional tuition costs. Special Education reimbursement, "Circuit Breaker" offsets special education tuitions. The district anticipates \$519,254 of Circuit Breaker Funding.

Legal services for the district in regard to general counsel and special education legal issues are expected to exceed approved budget levels. A projected total is not available at this time, however we will monitor these services closely.

Teacher contract negotiations are on going. Upon the completion of these negotiations, teacher salaries will be adjusted to reflect the adjusted salary schedule.

The delay in bonding our Middle School Project has created a surplus in the debt service accounts. Both the short-term and long-term interest expenses will be less than projected, with an estimated \$370,000 to be unexpended in these accounts.

Revolving Funds

All funds are operating as intended. I am pleased to report that the school lunch program is performing better than last year, and if this progress continues, the program will end with a small surplus at year-end. Attached for your review is a schedule of revolving funds and a separate school lunch statement.

Capital Project Funds

All funds are within budget authorization. It is anticipated that the Middle School Projects will be audited in January and will be bonded in March/April.

Grant Funds

The school district has received approval for \$841,029 in State and Federal Grants. These grant programs provide additional educational support and opportunities for our students. Attached is a schedule of grants for your review.