

MEMORANDUM

To: Members of the School Committee
Margaret M. Marotta, Superintendent of Schools

From: Brian A. O'Connell, Business Manager

Re: Financial Status Report – April 2019

Date: April 15, 2019

This Memorandum, accompanied by a detailed “red / green” report as of April 1, provides a summary of the current status of the fiscal operations of the Haverhill Public Schools. As of April 1, three-quarters of the way through our 2019 fiscal year, we have expended \$56,956,695.48. This is 67.76% of our “net” budget (i.e., funds specifically budgeted and administered by us) of \$84,056,526. When our expenditures and encumbrances are combined, we have spent, or committed, \$80,706,765 – 96.015% of our budget. The sum of \$3,349,761 – 3.985% – of our budget – remains unencumbered, and thus available to address expenditures for the remainder of the year which have not yet been committed. A month ago, our “unencumbered and available” balance was \$4,049,126.15. Thus, this balance declined \$699,365.15 in slightly less than one month. If this pace of expenditures continues, we are well-positioned to conclude this fiscal year in sound condition.

Last year at this time (April 9), we had an unencumbered and available balance of \$3,005,828.64. This is \$343,932.36 less than our balance now. As you know, we concluded last year in sound financial condition, after a year-long – and ultimately successful - effort to monitor our expenditures meticulously, to make sure that we would conclude our year with a positive fiscal balance. This year, our staff has been frugal in its requests for expenditures, and, where feasible, we have applied our grant funds aggressively, retaining budget resources to address unanticipated challenges which customarily arise during the year. Admittedly, we are still receiving winter invoices at this juncture. However, we are clearly on track, as I mentioned in my March 11 report to you, to “conclude the year within the fiscal resources available to us, and still address emergencies and critical needs as they arise.” I believe we should develop contingency plans now to pre-purchase supplies and materials for next year, and to make any equipment acquisitions which are important at this point, so these purchases can be made from funds remaining to us as the current fiscal year concludes.

Several other factors advise close attention here. For example, Special Education Out-of-District Placements are always volatile at this point, and cumulatively they are a key budget driver for us. As of April 1, our cumulative Special Education budget has an available budget balance of \$693,323.85. This is a reduction of \$251,534.34 since early March, and it comes after a winter of comparatively even costs in this area. Last year at this time (4-9-18), the balance was \$642,370.07. New placements, and significant clinical evaluations, have had a material impact here. However, the special education department has been careful with its placements, and has tried to provide students the services they need in-house where feasible, and this has helped to provide grounds for significant fiscal optimism in this area.

This year has brought some variations in the projected expenditures of our individual accounts, when compared with our projections as of last spring. This is customary, and you have adjusted for a number of them with the transfers you have approved to date this fiscal year. None of this is a source of concern now. It reflects more precise figures as to payment of individual staff members (i.e., hiring of new staff members at salaries above or below those budgeted generically for them last May), degrees earned, longevity stipends accrued with anniversary dates, etc. It includes some staff reassignments as needs and facilities use plans have coalesced. Clearly, though, these transfers have complemented one another – they simply place the funds in the cost centers from which they will be spent. They do not suggest, at this point, any cumulative negative impact on our resources. During the past two months, more variations have occurred in expenditure patterns, and we will recommend that we adjust for them with the transfers we will propose to you in early May. At present, our “cost centers” have the following balances:

	Budget	Balance	%
School Committee (31)	\$232,000.00	\$70,314.07	30.30%
Office of the Superintendent (32)	\$1,276,527.08	\$80,322.53	6.29%
Curriculum Department (33)	\$914,118.03	\$250,695.96	27.42%
Special Education (34)	\$11,282,436.28	\$693,323.85	6.15%
ELL (Bilingual) (35)	\$208,272.53	\$13,730.07	6.59%
Parent Registration (36)	\$480,393.71	(\$3,198.77)	(1.007%)
Moody Early Childhood Center (41)	\$1,758,513.70	\$46,452.10	2.64%
Silver Hill School (42)	\$4,007,159.49	\$1,804.76	0.045%
Bradford Elementary School (43)	\$4,080,219.32	\$25,426.95	0.62%
Crowell Elementary School (44)	\$847,407.36	\$75,900.03	8.96%
Golden Hill Elementary School (45)	\$4,155,030.35	\$37,182.37	0.89%
Greenleaf Elementary School (46)	\$1,007,963.75	\$139,954.79	13.88%
Pentucket Lake Elementary School (47)	\$4,312,854.17	(\$57,934.62)	(1.01%)
Tilton Elementary School (48)	\$3,855,983.54	(\$375,154.50)	(1.10%)
Walnut Square Elementary School (49)	\$875,434.08	\$7,099.20	0.81%
Consentino Annex at Bartlett (50)	\$983,604.33	\$48,342.46	4.91%
John Greenleaf Whittier School (51)	\$3,237,570.81	\$282,930.73	8.74%
C.D. Hunking Middle School (52)	\$6,972,588.36	\$211,956.10	3.04%
Dr. Paul Nettle Middle School (53)	\$4,117,594.73	\$65,529.01	1.59%
Dr. A.B. Consentino Middle School (54)	\$5,573,967.20	\$198,325.61	3.56%
Haverhill High School (61)	\$14,786,743.70	\$606,442.90	4.10%
St. James HALT Alternative School (62)	\$1,264,274.45	\$59,257.89	4.69%
St. James TEACH Alternative School (63)	\$1,285,537.40	\$86,332.65	6.72%
Guidance Department (71)	\$623,375.50	\$11,024.00	1.77%
Athletics Department (72)	\$823,087.39	\$78,892.23	9.58%
Technology – Administration (73)	\$1,977,287.18	\$199,913.30	10.11%
Maintenance / Utilities (74)	\$1,582,458.56	(\$9,139.66)	(1.006%)
Transportation (75)	\$4,463,138.62	\$504,562.29	11.31%

We will monitor all of these accounts carefully as we prepare the next round of recommendations for fund transfers among accounts, and as we continue development of the budget for the 2019-2020 fiscal year. I will keep you updated on developments with the budget, and I will have a formal status report for you on these topics, and on any pertinent fiscal or operations occurrences, as noted above, next

month. In the meanwhile, should any of you wish to discuss any aspect of this report, or of the fiscal posture of our school district, just let me know.

Brian A. O'Connell
Business Manager