

**NEW LONDON PUBLIC SCHOOLS
BUSINESS OFFICE
134 WILLIAMS STREET
NEW LONDON, CONNECTICUT**

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MEMORANDUM

**TO: Dr. Christopher Clouet, Superintendent of Schools
New London Board of Education**

FROM: M. Z. Whalen, Director of Business & Finance

DATE: February 21, 2008

SUBJECT: FY 2007-2008 Status of the Budget – Period Ending January 31, 2008

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Attached is the Accounts Statement by Object for the period ending January 31, 2008. This report contains the fiscal year 2008 year-to-date activity as posted to the Board's financial system.

The report contains:

-**Account Description** and the corresponding Object Code Number

-**Revised Budget** – Contains the Object Code's total appropriation

-**Encumbrance** - Contains all funds that have been committed.

This will include but not be limited to:

- Contracted Salaries
- Purchase Orders Submitted to Vendors

-**Paid To Date** – Contains the total expenditures for the period noted.

This will include:

- Payrolls posted to date
- All payments made to date. As a payment is made, the encumbrance is reduced accordingly.

-**Balance** – The balance includes only those dollars that are not encumbered and/or expended as of the date noted.

As of January 31, 2008, the total expenditures are \$18,598,471, or 48% of the budget. However, \$33,439,532, or 86.4% of the budget has been expended and/or encumbered, with a remaining balance of \$5,269,193.

As you review the “Account Statement by Object” you will notice the pupil transportation line account in a deficit. Annually the special education tuition and transportation accounts are monitored. The Board of Education receives “Excess Cost” and “Student Placement” grants from the State Department of Education for the current year’s catastrophic tuition and transportation expenditures. These grant funds are used to cover the current fiscal years expenditures. The FY 2008 tuition and transportation line accounts were budgeted less than the projected expenditures in anticipation of these grant funds. Last year these anticipated funds were appropriated the BOE’s adopted budget. However, this year the funds will be established as a categorical grant.

Whereas, this was the first year that the “excess cost” and “student placement” funds were established in a funds accrual account, both the Director of Special Services and I concurred that all transportation bills would be charged to the BOE’s budget and the applicable tuition bills would be charged to the grant. This action has created the deficit in the transportation line account. The funds to cover this deficit are available in the tuition line account.

In summary, if the current spending patterns continue, the BOE will end the fiscal year with a balanced budget. If you have any questions, please do not hesitate to see me.

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Glossary of Terms:

The following is an overview of Object Codes and Account Descriptions:

-Object Category 100 - Salaries. This category contains salaries paid to all staff.

-Object Category 200 – Fringe Benefits. This category contains the contractual benefits, worker’s compensation premiums, unemployment compensation and the employer’s component of FICA/Medicare.

-Object Category 300 – Contracted Services for Instruction. This category contains expenses related to instructional services which include programs such as the Clinical Day Program, Project Oceanology and other regional educational service centers. All contracted services for instructional training is included in this category.

-Object Category 340 – Other Professional Services. This category contains other professional contracted services which include, but is not limited to: contractual computer support services; library support services; nursing services; health, speech, hearing and psychological services; legal and audit services.

-Object Category 400 – Cleaning, Repair & Maintenance. This category contains expense for maintenance of plant; expenditures for repair of all instructional and non-instructional equipment.

-Object Category 440 – Modular Buildings and Copiers. This category contains the expense for the current Winthrop School Modular building and the district’s copier leases.

-Object Category 510 – Pupil Transportation. This category contains the costs associated with all student transportation. This includes the districts contractual expense for transportation, transportation for out-of-district students, sports and extracurricular activities.

-Object Category 520 – Property Liability Fire Insurance and Liability Insurance and Sports Insurance costs are charged here.

-Object Category 530 – Communication Services. This category contains the costs associated with the districts expenses for postage, telephones, printing and advertising.

-Object Category 560 – Tuition. This category contains all expenditures for tuition paid to other school districts. This includes private, public and regional educational service centers (RESC).

-Object 580 – Other Transportation. This category contains contractual travel expenditures and all expenditures associated travel reimbursement .

-Object 590 – Interagency Services. This category contains the dollars budgeted and payable to the CONL for the School Resource Officers.

-Object 600 – Supplies & Materials. This category contains the dollars budget for instructional and non-instructional supplies and materials.

-Object Category 620 – Utilities. This category contains district-wide expenditure for electricity, heating oil, natural gas, gasoline for vehicles and water.

-Object Category 700 – Equipment. This category contains expenditures new, and the replacement of, instructional and non-instructional equipment.

-Object Category 810 – Dues, Fees and Other Objects. This category contains dues and fees which include CAFE.

-Object Category 000 – Fund Transfer Out – This category contains the salary improvement account and new initiatives that may have been approved by the BOE for inclusion into the budget. These dollars are to be moved to the appropriate line accounts.

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