

Memorandum

DATE: June 11, 2020
TO: Dr. Alan Addley, Superintendent of Schools
FROM: Richard Rudl, Director of Finance & Operations
SUBJECT: FY 2020 Financial Report through May 2020

Enclosed please find the attached:

1. Financial report for fiscal year 2020 through May 2020.
2. Financial update on Covid-19 Impact to Financials
3. List of accounting adjustments for May 2020 within Broad Categories
4. List of Transfers Approved by the Superintendent of Schools
5. PowerPoint

Highlights of the first financial report through May 2020:

The financial report currently shows a year-end forecast of \$527,384 or 0.53%. The General Education RCs forecast a current surplus of \$517,269 with the Special Education RC's forecasting a positive variance of \$10,115.

This forecast includes the Board of Education's approved pre-purchases of the following items:

1. iPads for \$185,250 (includes the 5% educational credit savings)
2. Routers for \$20,000
3. Math Textbooks for \$170,000
4. Fall and winter uniforms for \$40,500

Total: \$415,750.

Without these pre-purchases we would have a forecasted balance of \$943,134. Had schools not closed due to COVID-19 we would have anticipated a year end balance of approximately \$400,000 with \$263,360 being budget control.

The highlights of that surplus include:

RC 1 (Darien High School):

- Salary savings \$7,528

[Darien Public Schools/BOE, 35 Leroy Avenue, P.O. Box 1167, Darien, CT 06820](#)

- Student Interns shows a favorable balance of \$600.
- Substitute's savings of \$42,899. Due to the closure, we do not have the need for substitutes outside of building substitutes and teacher covering teacher coverage. This is anticipated to create salary savings for the remainder of the year.
- Clubs and councils a savings of \$854
- Due to the closure, purchasing of operating accounts has been limited and we are not anticipating the purchasing of most operating materials such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$38,847.

RC 2 (Fitch Academy):

- Salary savings of \$4,118.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as general teaching supplies, travel expense. We are anticipating a budgetary surplus of \$4,895.

RC 3 (Middlesex Middle School):

- Salary savings of \$7,751.
- Student Interns shows a favorable balance of \$600.
- Substitute's savings of \$28,624. Due to the closure, we do not have the need for substitutes outside of building substitutes and teacher covering teacher's coverage. This is anticipated to create salary savings for the remainder of the year.
- Due to the closure we are not anticipating the purchasing of most operating materials such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$37,531.

RC5 (Hindley):

- Salary savings of \$9,393.
- Student Interns shows a favorable balance of \$600.
- Substitute savings of \$951.
- Due to the closure, we are not anticipating the purchasing of most operating and equipment accounts such as textbooks, consumables, printing, and repairs. As a result, we are anticipating budgetary savings of \$13,700.

RC7 (Holmes):

- Salary savings due to a long-term unpaid leave of absence of \$15,173.
- Intern's savings of \$7,800. Holmes was unable to secure a second intern for the last semester and as a result will have this balance available for the school year.
- Salary savings of \$2,482.
- Salary savings of \$465 in curriculum supervision.
- Substitute savings of \$1,309.
- Teacher Aide salary savings of \$117.

- Due to the closure we are not anticipating the purchasing of most operating materials such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$2,617.

RC8 (Ox Ridge):

- Student Interns shows a favorable balance of \$600.
- Salary savings of \$206 for Teacher Aides.
- Salary savings of \$780 in curriculum supervision.
- Substitute savings of \$200.
- Due to the closure we are not anticipating the purchasing of most operating materials such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$5,248.

RC 9 (Royle)

- Salary savings of \$6,862 due to staff turnover.
- Salary savings of \$1,300 in curriculum supervision.
- Substitute savings of \$3,488.
- Due to the closure we are not anticipating the purchasing of most operating and equipment accounts such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$13,213.

RC 10 (Tokeneke):

- Salary savings of \$4,288 due to staff turnover.
- Substitute savings of \$2,788.
- Salary savings of \$1,040 in curriculum supervision.
- Salary savings of \$26.
- Due to the closure we are not anticipating the purchasing of most operating materials such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$22,671.

RC11 (Athletics and PE):

- Due to the closure, custodial overtime for the YMCA is showing a savings of \$2,354.
- Due to the closure, weight room is showing a savings of \$3,700.
- Interscholastic stipends are showing a savings of \$23,122 as some sports cannot be done virtually.
- Due to the closure, intramurals is showing a cumulative savings of \$29,171.
- Due to the closure, there is a forecasted savings for athletic transportation of \$110,854.
- Due to the closure, there is a forecasted savings for officials of \$48,349.
- Due to the closure, we are not anticipating the purchasing of most operating and equipment accounts such as consumables, training supplies and equipment. As a result, we are anticipating budgetary savings of \$3,542.

- Approval to pre-purchase fall and winter uniforms for \$40,500 has created a deficit of \$35,805 in Interscholastic (netted against a surplus of \$4,695)

RC12 (Maintenance):

- Salary savings of \$627.
- We have suspended regular services for City Carting during the closure, which has resulted in a savings of \$12,450.
- We have suspended services for Lionheart Cleaning services, which has resulted in a savings of \$47,277.
- Due to the closure, there are no professional meetings, which results in a savings of \$2,966.
- Due to the closure, consultant services has a savings of \$2,144 as shredding services have been utilized less often.
- Snow removal shows a positive \$4,268. We have had less than expected snow this winter.
- Overtime shows a surplus of \$7,338.
- Due to the closure, spring facility and field rentals are not able to proceed. As a result, we will not collect \$87,155 in anticipated revenue. This is less of a shortfall than projected as we were able to gain additional revenue that will be received in June.

RC 13 (Music):

- Salary savings of \$809.
- Due to the closure we are not anticipating the purchasing of most operating and equipment accounts such as textbooks, consumables, printing, repairs. As a result, we are anticipating budgetary savings of \$6,391.
- Due to the closure, there is an anticipated reduction in spring transportation for music resulting in a projected savings of 4,331.

RC 14 (Art):

- Due to the closure, we are not anticipating the purchasing of most operating and equipment accounts such as classroom reference, periodicals, and teaching supplies. As a result, we are anticipating budgetary savings of \$10,998.

RC 15 (Technology):

- Due to the closure, there are no anticipated extra hours in the copy center resulting in a budgetary savings of \$885.
- Approval to pre-purchase iPads and Elementary Routers for \$205,250 creates a deficit of \$205,240 in equipment (netted against a surplus of \$5)

RC 16 (Administration):

- Consultant services shows a positive \$5,060 variance as we were able to secure a \$5,000 reduction to the transportation study.

- Legal fees are trending under budget since the closure. As a result, we are forecasting a positive \$30,000 variance.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as professional meetings and printing. As a result, we are anticipating budgetary savings of \$15,922.

RC 17 (Health):

- Substitute's savings of \$12,454. Due to the closure, we do not have the need for substitutes. This is anticipated to create salary savings for the remainder of the year or closure.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as periodicals, office supplies, travel. As a result, we are anticipating budgetary savings of \$2,839.

RC 18 (Personnel):

- Budget Control remains untouched at \$263,360
- Due to the closure, substitutes for professional development are not expected to be utilized. As a result, we are projecting a savings of \$13,024.
- Long-Term substitutes shows a favorable balance of \$14,919.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as recruitment, travel and staff development. As a result, we are anticipating budgetary savings of \$28,325.

RC 19 (Curriculum):

- Salary savings of \$1,154 due to staff turnover of a secretary position, which has now been filled.
- Salary savings of \$405.
- Approval to pre-purchase Textbooks for \$170,000 has created a deficit of \$131,476 (netted against a surplus of \$38,524).
- Due to the closure, we are not anticipating the purchasing of most operating materials such as travel, field trips, standardized testing and materials. As a result, we are anticipating budgetary savings of \$19,809.

RC 20 (Finance):

- Auditing Services shows a favorable balance of \$184 as this expense has been paid and Blum Shapiro has filed the audit.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as travel, memberships, and professional development. As a result, we are anticipating budgetary savings of \$771.

RC 21 (Library):

- Due to the closure, we are not anticipating the purchasing of most operating materials such as memberships and professional development. As a result, we are anticipating budgetary savings of \$22,318.

RC 22 (Technology Education):

- Due to the closure, we are not anticipating the purchasing of most operating materials such as teaching supplies, periodicals, repairs. As a result, we are anticipating budgetary savings of \$7,561.

RC 23 (Continuing Education/Summer School)

- Adult Education Contracted Services has a positive forecast of \$5,000. We have confirmed with Stamford Public Schools that we have four less adults participating in the Adult Education program and as a result, we will spend less for these services than previously anticipated or experienced in previous years.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as mailing expenses, office supplies, printing. As a result, we are anticipating budgetary savings of \$50,560. Due to the closure, we have seen a reduction in individuals signing up for Darien Summer School as well as requests for refunds. However, it would be more appropriate to record revenue received from Darien Summer School as a prepaid revenue on our balance sheet for tuition paid prior to 7/1/2020 but intended for the summer 2020 program. Then we would release that revenue to FY21, as that revenue is reflective of the summer program for FY21. This would allow us to reflect the revenue for the program that is run as opposed to a mixture of revenue for two summers. As a result, we are forecasting the revenue to be \$428,132 less than budget.

RC 24 (Special Education):

- The forecast for Assistant Director of Special Education is a positive \$7,229 as there is salary savings from the transition to a new Assistant Director.
- The forecast for curriculum supervision is a salary savings of \$30,589 as the previous department chair has been named the Assistant Director of Special Education leaving a vacancy in this position.
- Substitute's savings of \$39,602. Due to the closure, we do not have the need for substitutes. This is anticipated to create salary savings for the remainder of the year.
- Due to the closure there is a forecasted reduction in homebound tutoring, as a result there is savings of \$30,342.
- The forecast for teacher salary savings is \$27,351.
- Forecasted surplus of \$1,521 in contracted speech.
- There is a forecasted salary savings of \$2,696 in Psychologists line.
- The forecast for SESS Facilitator is a positive \$1,970 due to staff turnover.
- The principal/directory secretary is a positive \$1,549 due to staff turnover.
- Teacher aides is a positive \$4,606 due to staff turnover.
- Transportation/driver is forecasted as a positive \$13,046 due to a resignation.
- Nurse forecast is a positive \$18,127 due to a retirement.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as general teaching supplies, travel, and consumables. As a result, we are anticipating budgetary savings of \$5,543.

- Consulting services are forecasted with a positive variance of \$39,240.
- Governor Lamont issued executive order 7R, which requires districts to continue to pay transportation costs to ensure driver's employment is maintained and bus companies can resume services upon the re-opening of schools. The rate charged to Darien for out of district transportation is 81.2% leaving a forecasted savings of \$25,310.
- Tuition Public Schools is now forecasted to have a positive variance of \$40,875 due to changes in student placements.
- Tuition Non Public is forecasted to have a positive variance of \$11,378.
- All Excess Cost receipts have been received. We received \$2,566,258, which is \$(284,840) less than budget. The entitlement cap has been set at 70.89% reduced from the previously announced 74.8%.

RC 25 (Fixed):

- The district will not be paying for the late bus added during the year due to the closure or the Middle School late bus. This is a projected savings of \$4,896.
- Due to the closure, we are forecasting a savings in diesel fuel due to the buses not running. This is anticipated to result in a favorable balance of \$19,547.
- The forecast for fuel oil/natural gas is a positive \$10,505. We saw an uptick in natural gas costs over the past month, which has reduced the anticipated favorable forecast in this account.
- Water is currently positive forecast of \$4,446.
- Due to the closure, we are anticipated increased electricity savings totaling \$81,460.
- Telephone is forecasted to save \$5,673.
- Sewer Service is anticipated to show a favorable forecast of \$3,923.
- Due to the closure, the food service fund has no sales to support its expenditures. As a result, we are recommending reclassifying payroll tax expenditures that previously would have been in the food service budget to the general operating budget. This is creating a forecasted overage of \$11,941. Accumulated savings from staffing turnover has reduced this overage.
- Workers Compensation has a positive forecast of \$1,109.
- Based on census changes from when the FY20 Budget was adopted and our current census for health insurance we are anticipating savings of approximately \$244,000 in health insurance. This represents 18 insurance plan changes.
- We have received 5 recipients, of the early retirement incentive, which will have payments of \$106,735
- Longevity payments remain under budget by \$33,000. Should we see additional non-certified retirements between now and June 30th, this available balance will be reduced.
- Medicaid reimbursement revenue has been received in the amount of \$6,649.

RC 26 (Early Learning Program)

- Salary savings of \$29,260 due to a vacancy.
- Substitute savings of \$2,200.
- Due to the closure, we are not anticipating the purchasing of most operating materials such as general teaching supplies, and consumables. As a result, we are anticipating budgetary savings of \$8,832.
- ELP Tuition is forecasted at a negative variance of \$46,673. We have not received the number of paying students as anticipated. This year we received 47 paying students compared to 62 students in the previous year. As a result, the revenue line item will fall short of budget. Below is a breakdown of collection of tuition:

Gross Tuition (47 Students at \$6,651)	\$312,597
Pro-Rated for students who started late or left early	\$(28,031)
Pro-Rated for students reclassified as Special Education	\$(3,752)
Non Refundable deposits for students who did not attend	\$3,900
2% discount for parents paying in full	\$(1,499)
Refunds	\$(7,294)
Total	\$275,921

RC	Fiscal Year Adjusted Budget	Fiscal Year 2020 Forecast	Forecasted Balance
RC 1 Darien High School	\$13,389,515	\$13,298,785	\$90,730
RC 2 Fitch Academy	\$487,623	\$478,610	\$9,013
RC 3 Middlesex	\$10,426,544	\$10,352,038	\$74,506
RC 5 Hindley	\$3,658,279	\$3,633,635	\$24,644
RC 7 Holmes	\$3,457,568	\$3,427,545	\$30,023
RC 8 Ox Ridge	\$3,579,465	\$3,572,430	\$7,035
RC 9 Royle	\$3,176,650	\$3,151,787	\$24,863
RC 10 Tokeneke	\$3,388,619	\$3,357,806	\$30,813
RC 11 Athletics	\$1,830,041	\$1,644,755	\$185,286
RC 12 Maintenance	\$3,288,694	\$3,298,687	\$(9,993)
RC 13 Music	\$275,702	\$263,787	\$11,914
RC 14 Art	\$108,752	\$97,680	\$11,072
RC 15 Technology	\$2,951,642	\$3,155,997	\$(204,355)
RC 16 Administration	\$1,051,508	\$1,000,526	\$50,981
RC 17 Health	\$865,565	\$850,265	\$15,300
RC 18 Personnel	\$1,258,815	\$939,188	\$319,628
RC 19 Curriculum	\$2,345,378	\$2,455,465	\$(110,087)
RC 20 Finance	\$590,028	\$588,755	\$1,273

RC 21 Library/Media	\$185,958	\$163,051	\$22,907
RC 22 Technology Education	\$49,977	\$42,290	\$7,687
RC 23 Summer School	\$(65,536)	\$306,972	\$(372,508)
RC 24 Special Education	\$23,335,611	\$23,319,114	\$16,497
RC 25 Fixed Expenditures	\$19,296,384	\$18,999,848	\$296,536
RC 26 ELP	\$1,185,626	\$1,192,008	\$(6,382)
Total	\$100,118,409	\$99,591,024	\$527,384

Transfer approved by the Superintendent of Schools:

Broad Category	Description	RC	To	From	Reason
Equipment	Technology Equipment	15	\$12,650		Increase network capacity for storage memory due to eLearning
Other Purchased Services	Wide Area Network	15		\$2,500	Increase network capacity for storage memory due to eLearning
Other Purchased Services	Staff Development	15		\$4,000	Increase network capacity for storage memory due to eLearning
Other Professional Technical Services	Consultant Services	15		\$3,050	Increase network capacity for storage memory due to eLearning
Other Purchased Services	Staff Development	18		\$3,100	Increase network capacity for storage memory due to eLearning

Memorandum

DATE: June 4, 2020
TO: Board of Education
FROM: Dr. Alan Addley, Superintendent of Schools
Richard Rudl, Director of Finance & Operations

Included below are some additional financial details based on the May Financial Report highlighting some of the major changes due to the closure of school due to COVID-19.

Transportation:

Governor Lamont, issued an executive order at the end of March requiring districts to continue paying transportation costs during the closure to provide assurances that when school re-opens busing would be able to resume. The order calls for districts to pay actual expenditures based on costs directly attributable to the district but not provide profit margin to companies. Our out of district transportation provided by Relia and ECS Transportation is reflected at 81.2%, which is based on driver salaries, benefits and direct overhead associated with Darien services such as vehicles and insurance. The savings for out of district transportation is \$25,310. We are also anticipating savings for music transportation of \$4,331 and athletic transportation of \$110,854. This would be a cumulative savings of \$140,495.

Food Service Operation and Contract:

Governor Lamont, issued an executive order requiring districts to continue paying its employees. Food Service employees are currently paid out of the Food Service Fund, but given we will have no sales during the closure this fund will begin to use its fund balance to support these expenditures. Should the district be closed for the year, we are anticipating this fund to go into a deficit by approximately \$50,000, resulting in an operating loss of \$355,000 this fiscal year. Given this we recommended at the last Board of Education meeting shifting some costs from the food service budget to the operating budget. This included shifting the health insurance expenses, payroll tax expenses, Sodexo food service director contract, point of sale system, and propane expenses. Total shift of expenses is anticipated to be approximately, \$280,000. All historical expense adjustments have been made.

Expenditures & Savings Related to Closure:

Due to the closure we have had numerous adjustments both positive and negative to our budget that we otherwise would not have had. These include:

DARIEN PUBLIC SCHOOLS

Expenses:

Description of Item	Forecasted Expenses
Custodial Overtime during the first week of closure to sanitize the buildings	\$18,264
Field signs indicating closure	\$6,388
Gloves, Masks, Thermometers, Supplies	\$50,232
Food Service Expenses Reclassified	\$280,291
Tier 3 Technical Support for eLearning	\$21,100
Network Memory Upgrade	\$12,650
Devices for Staff and VPN software	\$11,200
Hot spots	\$407
Zoom Software	\$22,500
eBooks	\$12,522
Total	\$435,554

Savings:

Description of Item	Forecasted Savings
Transportation (Special Education, Athletics, Music)	\$140,495
Facilities Services (Contracted Cleaning, Garbage, Professional Meetings)	\$69,104
Utilities	\$106,007
Substitutes	\$162,457
Homebound Tutoring	\$31,863
Sports Officials	\$48,349
Spring Sports	\$23,122
Intramurals and YMCA Overtime	\$35,226
Various Operating Accounts	\$375,593
Positions remaining vacant during closure (Para's, Driver, Nurse, Special Education Dept. Chair)	\$109,043
Total Forecasted Savings	\$1,101,259

DARIEN PUBLIC SCHOOLS

Lost Revenue:

Description of Item	Forecasted Revenue Loss
Field and Building Rental	\$87,115
Summer School	\$428,132
Total	\$515,247

Total Savings is \$150,458 (Savings less Revenue loss, less new expenditures)