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Memo To: Board of Education
 Dr. Mary Pfeiffer, District Administrator

From: Paul Hauffe, Director of Business Services *PH*
 Vicky Holt, Asst. District Administrator – Human Resources/Central Services

Date: August 24, 2012

RE: Update on 2011-12 Budget Status – Unaudited Actuals

An initial review of the unaudited 2011-12 financial statements reveals a somewhat larger general fund surplus than had been anticipated. We can identify several broad categories that accounted for this budget surplus of over \$2.7 million. In addition to prudent budgetary control and management of all accounts, these specific accounts achieved budget variances greater than expected:

Expenditure Accounts spending less than budgeted:

Teacher salary	\$303,000
Educational Assistants Salary	70,000
Health Insurance Benefits	1,210,000
Weather Related:	
Natural Gas	220,000
Employee Overtime	68,000
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	\$1,871,000

Revenue Accounts receiving more than budgeted:

State EEN Categorical Aid	\$331,000
School Based Services (SBS)	517,000
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	\$848,000

Several factors have contributed to the surplus in the health insurance account:

- a greater than anticipated conversion of staff to the District's lower cost health insurance plan,
- general increase in employee contributions to health insurance,
- several retirees relinquishing their health plan (buyout), and
- many new hires not starting coverage until September (10 months actual coverage versus budgeted 12 months).

Surpluses in salary accounts are typically caused by unfilled positions during the year due to student enrollments, staffing needs, or using long-term substitutes on a temporary basis.

The mild weather experienced throughout the 2011-12 fiscal year allowed savings in the District's natural gas account and employee overtime (snow plowing, ice control, etc.).

Finally, additional hard to anticipate funds were received as reimbursement for Special Education related expenses from the Federal and State governments prior to June 30, 2012. Had a large portion of these funds been received a day or two later, literally, they would have been considered 2012-13 revenues.

The Business Office continues to work closely with the Human Resources Office to fine tune the budgeting process for existing and new staff. We are in the early to mid-stages of implementing a more accurate and efficient way of communicating information between the two departments. In the meantime, the Business Office will review and reflect upon ways to improve the budgeting process, particularly as it relates to staff compensation.

More information regarding the 2011-12 financial statements will be available when the District auditors make their annual presentation to the Finance and Personnel Committee/Board of Education in November 2012.

If you have any questions about the budgeting process in general or the 2011-12 budget in particular, please call Paul Hauffe.