

Town of Hanover

***Hanover Public Schools:
A Focus on Finances***

The Abrahams Group

April 2013

THE ABRAHAMS GROUP

FOR BETTER GOVERNMENTS

April 29, 2013

Mr. Troy B.G. Clarkson
Town Manager
Town Hall
550 Hanover Street
Hanover, Massachusetts 02339

Dear Mr. Clarkson:

I am pleased to submit the attached Report – *Hanover Public Schools: A Focus on Finances*. This report addresses the financial scope of our services. This report focuses on recommendations that can affect the budget document, budget process, financial processes, financial accounting, and financial reporting relating to the school budget, grants, gifts/donations, revolving funds, and student activities.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the End-of-Year Pupil and Financial Report or the financial position or the results of operations of the books of account. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are pleased to serve the Hanover Public Schools on this most important project. We will be pleased to discuss this report with you at your earliest convenience.

Sincerely yours,



Mark D. Abrahams, CPA
President

Attachment

FOCUS ON FINANCES

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I. INTRODUCTION

The Town of Hanover through its Operational Review Committee retained The Abrahams Group to conduct an external review of the efficiency of various departments and operations within the Hanover Public School District and to present a final report of the findings, recommendations, and projected costs and/or cost savings associated with the recommendations. Specifically, operational review is requested for the following components of the Hanover Public Schools:

I. Review School Administrative & Staffing Structure

- Conduct an organizational overview and provide a detailed organizational snapshot with job descriptions for key personnel and staff. This will be achieved by conducting a thorough evaluation of existing organizational structure and staffing and suggest changes as deemed most efficient or productive.
- Review the operational relationships between administration officials, principals and department heads and make recommendations for operational efficiencies and empowerment of staff.
- Benchmark 3-4 comparable School Departments for staffing levels and operational practices
- Evaluate Teacher/student ratios and offer recommendations

II. Educational Performance

- Establish matrix of current Town of Hanover educational performance outcomes, i.e., evaluate results from educational tests: MCAS, PSATs, SATs and others as suggested by the consultant and determined by the Town
- Review and make recommendations for efficiencies and costs of professional development

III. Focus on Finances

- Review current budget and make recommendations for opportunities for improvement or streamlining of budget and internal financial processes
- Review acceptance, operations, and accounting for grants and gifts and make recommendations on improving and/or documenting procedures
- Benchmark 3-4 comparable School Departments for spending trends and level of Town funding
- Review current budget and make recommendations for appropriate staffing to achieve educational goals as well as keeping class sizes consistent throughout the district

We have submitted this report relative to the Focus on Finances scope of work to make recommendations on the first three objectives (budget format, grants and gifts, and spending trends). The fourth Focus on Finances objective is included in our Part II report. This analysis focuses on the School Department's current budget document and financial processes, including how the SoftRight financial management system can enhance the efficiency and effectiveness of financial operations.

II. HANOVER PUBLIC SCHOOLS: IN PERSPECTIVE

The operational audit focuses on the education and financial areas of the School Department. We believe it is important to provide some overall perspective on the Hanover Public Schools. The Department of Elementary and Secondary Education (DESE) maintains extensive information on all of the Commonwealth's school districts through DESE's DART (District Analysis, Review & Assistance Tools) system, generally 2011 data. Hanover desired to compare itself to two local communities (Norwell and Scituate) and two DART communities (Holliston and Wayland) as comparable peer districts. The comparison is presented in Appendix II.1. Appendix II.2 presents Per Pupil Spending by function and by in-district student and out-of-district student. Appendix II.2a presents summary per pupil data and Appendix II.2b presents detail per pupil data. Appendices II.3 - II.8 provide additional comparative data and Hanover five-year data.

Enrollment

The Hanover Public Schools enrollment is 2,735 students. 6.3% of the student population are low income, 15.9% have disabilities and 0.6% are English Language Learners. These three percentage components of the enrollment fall within the ranges of the four peer districts and all are less than the State average. Ninety-four percent % of all Hanover's school aged children are enrolled in the public schools compared to the 91% State average.

Spending

Hanover's overall per pupil spending is \$10,965 which is lower than the State average of \$13,361 and lower than all four peer communities. Of the 242 municipal reporting districts for the FY 2011 EOYR, Hanover ranked 213th lowest spending on a per pupil basis. For FY 2012, only ten (10) municipal districts reported lower per pupil expenditures.

Hanover's average teacher salary was \$68,747, lower than the other two peer communities that reported this indicator and lower than the \$70,304 State average.

Hanover's professional development expenditures as per teacher FTE was \$1,708, falling within the ranges of the two peer districts reporting and less than the State average of \$3,200.

Out-of-district per pupil spending represents the spending for students who are tuitioned out to other schools because of special needs and other requirements. Hanover's out-of-district spending per pupil for 2011 was \$21,144 which was significantly less than the four peer districts, and close to the State average of \$21,457.

Hanover's actual net school spending is 14% above what is required by the Commonwealth. This spending is lower than all four peer districts and it is lower than the State average of 16%.

Hanover's Chapter 70 aid as a percent of foundation was 27.8% which is within the range of the four peer districts and was less than the State average of 44.8%.

Performance

In terms of performance which is commonly measured by the percent of students who are proficient or higher in MCAS performance for ELA, math and science, Hanover is the lowest in performance of all the peer districts and significantly higher than the State average. MCAS tests are tied to the Massachusetts curriculum frameworks and thus they provide a good indicator of grade level attainment. They may be good indicators of the effectiveness of the literacy and numeracy programming in a school district. Eighty-three percent of Hanover students were proficient or higher in English Language Arts, 68% were proficient or higher in Math and 72% were proficient or higher in Science. While each of these proficiency ratings was lower than the four peer districts in all three subjects, Hanover has increased its proficiency in each of these three subjects over the last five years.

The U. S. Department of Education requires Massachusetts to determine which districts have specific needs for technical assistance or intervention in the area of special education based on five levels of need which are determined based on compliance and performance indications. The State has a *Level 1 to Level 5* ranking for each school in the Commonwealth. *Level 1 Schools* meet all requirements; *Level 2* meet requirements but are at risk; *Level 3* need technical assistance; *Level 4* need intervention; and *Level 5* need substantial intervention. Three (3) of Hanover's schools are *Level 1 Schools* (the highest possible ranking) and one (1) is a *Level 2 School*. One (1) of Hanover's schools had insufficient data. Hanover's schools had the best Level rankings of the peer group with the exception of Norwell.

Other performance indicators include:

- CPI Achievement Gap – ELA – Hanover (94%) fell within the range of the peer districts and higher than the State average of 87%.
- CPI Achievement Gap – Mathematics – Hanover (86%) was the lowest of the peer districts and higher than the State average of 80%.
- CPI Achievement Gap – Science – Hanover (89%) fell within the range of the peer districts and higher than the State average of 79%.
- Annual Drop Out Rate – Hanover (0.1%) was the lowest of the peer districts and lower than the State average of 2.7%.
- Graduation Rate – Hanover (96%) fell within the range of the peer districts and higher than the State average of 85%
- % Students Absent <10 Days – Hanover (79%) was the highest of the peer districts and higher than the State average of 68%.

Summary

The school system spends substantially less than average per pupil for all pupils, substantially less on a comparative basis for students who attend out-of-district schools based on their needs and placements, receives less Chapter 70 Education Aid than most school districts, is spending 14% more than required for net school spending and has good performance results as evidenced by several indicators as compared to the State average and peer districts.

III. SCHOOL BUDGET

BUDGET PROCESS AND STRUCTURE

The annual school budget process begins early in the fiscal year when principals and department heads/curriculum directors begin to prepare their budget requests for the next school year. These requests are submitted to the Superintendent soon after the start of the school year. The Business Manager reviews the requests with the Superintendent and with the principals and department heads/curriculum directors.

The budget is developed by the following categories:

- Total Salaries
- Athletics and Student Body
- Contracted Services
- Doctor/Trainer Expense/Health
- Insurance
- Legal
- SPED Legal
- Maintenance
- Fixed Assets
- Supplies
- Texts
- Technology
- Library/AV
- Professional Development
- Transportation
- Tuitions
- Utilities
- SPED Contracted Services
- SPED Supplies
- Reserve Account

The Superintendent of Schools is responsible for the development and presentation of the Proposed Budget to the School Committee. The Proposed Budget document that is presented to the School Committee is not broken out by location and does not include narratives, staffing information, class sizes and the like, although this information exists and is readily available. The budget is voted by the School Committee by the above categories for the General Fund appropriation.

The School Committee voted not to submit a level-funded budget in either FY 2013 or FY 2014. The FY 2013 budget is \$21,833,641. The preliminary FY 2014 budget is \$22,956,658, which is an increase of \$1,123,017, or 5.14%, over FY 2013's budget. Adjustments were made to reduce the FY 2014 budget to \$22,840,422, which is an increase of \$1,006,781, or 4.61%, over FY 2013's budget.

The budget file presented to School Committee includes a summary sheet containing the initial budgeted amount, the change in the budgeted amount compared to the previous fiscal year's budget, and the adjustments necessary so the School Department can maintain level services. The information found on the summary sheet is also presented in more detail, including by location.

Town Meeting votes only the bottom line of the School Department's budget. In FY 2013, Town Meeting voted to establish an article with \$115,000 appropriated by the Town to be used by the School Committee. The funds in this account are intended to be used by the School Committee to offset unforeseen expenses not covered by School Committee's appropriation. The Governor's budget proposed an additional \$184,000 in Chapter 70 aid for the FY 2014 budget. The Town Manager has proposed additional revenues received will be appropriated for the School Department's use.

Highlights of the budget process follow:

- The Business Manager reported on the status of the current fiscal year's budget to the School Committee when she was requested to do so, but only if she was requested to do so. Budget-to-actual updates were given at the School Committee meetings that took place on October 5, April 25, June 19, and August 22, 2012.
- The Business Manager's report to School Committee is generated on an Excel spreadsheet and includes the previous fiscal year's expenditures, as well as the current year's original budgeted expenditures, revised budgeted expenditures, actual expenditures, and available expenditure balance.
- The Business Manager's report is broken into the same line items that are voted by the School Committee.
- At various School Committee meetings, particular areas of the budget are discussed and analyzed. For example, in FY 2012, certain discussions focused on legal expenses, maintenance, SPED, and professional development and included a history of the discussed budget areas over the previous several fiscal years.
- The budget process for the next fiscal year starts soon after the fiscal year begins.
- The majority of the salaries are contained in one line. However, the Business Manager determines the budgeted amount for salaries for the upcoming fiscal year on an individual basis. Until the budget is voted by the School Committee, salaries are adjusted to reflect changes, such as upcoming retirements and moves on the salary schedule. Teachers, Administrators, and some contracted individuals receive annual salaries. The remainder of the School Department's staff is paid on an hourly basis.
- Long-term substitute accounts are used for the salaries of employees who substitute for those absent for a long period of time, such as mothers on maternity leave. Utilizing the long-term substitute accounts has made tracking these costs easier.
- The School Department encumbers payroll and adjusts the encumbrances as needed to reflect changes in payroll. The Business Manager tracks the necessary changes and initiates the adjustments to the encumbrances. Changes are most often needed due to maternity and family leaves of absence. Long-term substitutes are used to fill positions vacant due to lengthy leaves of absence.

- Principals develop the expense budget for their schools. The budget is presented as a summary page that contains expense totals for all schools and also as a breakdown of expenses for each school with line items for General Supplies, Texts and Related Software/Media Materials, Library, Field Trips, Guidance, and Fixed Assets. Additionally, the expense budget for the high school includes line items for Band Uniform Cleaning, Student Body Supplies, and Student Body Travel. The summary page in the FY 2014 budget contains FY 2013 budgeted expenses and actual expenses from FY 2012, FY 2011, and FY 2010.
- The Business Manager produces the Transportation and Professional Development budgets and, additionally, works closely with the SPED Director to help produce the SPED areas of the budget. The Technology Director typically produces the expense budget for technology.
- Expenditures related to the cafeteria are not part of the budget appropriated by Town Meeting.
- SPED Circuit Breaker money is maintained in a separate account and is used primarily to offset SPED Tuition costs.
- After the Town indicates how much the expenditure portion of the budget is to increase over the previous fiscal year, if any, meetings between those involved in budget preparation begin. At these meetings, needs of each school and/or department are discussed, as well as potential cuts that may be necessary to meet the Town's demands.
- Since the school budget has been level funded for the past few fiscal years, the School Department struggled to determine areas to cut in the FY 2013 budget. Even when the budget is level-funded, certain expenditures, like salaries, transportation costs, utility costs, and SPED costs, increase annually. The School Department does not have control over these items and must cut from other areas of the budget, like funding for certain staff and instructional services, to compensate for these increases.
- The salaries area of the budget contains:
 - Teachers' names, placement on the salary schedule, and salary amount for the upcoming fiscal year. Salaries that are fully or partially funded from other monies (i.e., grants, revolving funds) are noted in this area, as well as the amount of salary funded from other sources.
 - Nurses' and department heads' names and salaries, as well as their budgeted FY 2013 salaries and actual FY 2012 salaries for comparison purposes.
 - Coaches' and extracurricular activity advisors' names and salaries, as well as their current year salaries for comparison purposes.
 - Administrators' and other district staff's names and salaries as well as a summary of their salaries by school. The summary includes budgeted FY 2014 salaries, adjusted FY 2013 salaries, budgeted FY 2013 salaries, and actual FY 2012 salaries, for comparison purposes.
 - Paraprofessionals', assistants', tutors', secretaries', and administrative assistants' names and salaries, schools in which they work, dates of hire, years of experience, salary steps, hourly rates, weekly hours worked, and projected yearly salary, broken out by school. There is also a summary that includes their budgeted FY 2014 salaries, adjusted FY 2013 salaries, budgeted FY 2013 salaries, and actual FY 2012 salaries, for comparison purposes.

- Substitutes' salaries and other salary amounts, shown by school, with budgeted FY 2013 amounts and actual FY 2012 amounts, for comparison purposes.
- The expense budget:
 - Technology is summarized by school and account number and includes the adjusted FY 2013 amount, the original FY 2013 amount and actual amounts for FY 2012, FY 2011, and FY 2010, for comparison purposes. Back-up information includes a breakdown by school and details of proposed purchases.
 - Special Education is summarized by school and includes adjusted FY 2013 amount, the original FY 2013 amount and actual amounts for FY 2012, FY 2011, and FY 2010, for comparison purposes. Additionally, the budget includes itemized tuition amounts paid to other schools and collaboratives. It also includes budgeted FY 2014 amounts for contracted services and supplies, with comparisons to the adjusted FY 2013 amounts, the original FY13 amounts, and the actual FY 2012 amounts.
 - Professional development is broken out by category and includes line items for salary accounts, course reimbursement, staff professional days and conference expenses, administrative professional days and conference expenses, and other expenses. Each category includes location.
 - Athletics is broken out by line item and includes monies from revolving accounts used as offsets. It also includes budgeted FY 2014 amounts, with comparisons to budgeted FY 2013 amounts and actual amounts for FY 2012, FY 2011, FY 2010, and FY 2009. The budget includes the costs of individual sports.
 - The School Committee includes a section for other expenses. It includes legal services, which are detailed by vendor, with comparisons to the budgeted FY 2013 amounts and the actual FY 2012 amounts.
 - Additional budgeted FY 2014 amounts for Contracted Services, Supplies and Texts, Fixed Assets, Health Supplies, and Contracted Police and Fire are compared to budgeted FY 2013 amounts and actual FY 2012 amounts.
 - Annual payments for leases includes projections through FY 2017.
 - Maintenance (equipment maintenance) is summarized by location.
 - Utilities (telephones/communications) include breakdowns by location and vendor. For comparison purposes, the budgeted FY 2013 amounts and actual FY 2012 amounts are included.
 - Transportation includes the budgeted FY 2013 amount and the actual FY 2012 amount, for comparison purposes.
 - The budget also includes some detailed information of each school's expected purchases.
- The School Committee votes the budget by each category presented.

As required, a public hearing is held to discuss the School Committee's proposed budget. The hearing includes a Power Point presentation, which is used to help disseminate information on the School Department's budget goals and the process used to develop the budget, as well as to share comparisons of the School Department's per-pupil expenditures, SPED costs, and Circuit Breaker receipts to the state average and to surrounding towns. Additionally, the hearing allows

for discussion on the negative impact of a level-funded budget, new staffing needs, class size, enrollment by school, and capital projects.

The proposed budget voted by the School Committee is submitted to the Town Manager before Town Meeting. The Town receives a one-page budget summary from the School Committee that includes the totals for each category as voted by the School Committee. After the budget is adopted by Town Meeting, it is then recorded on the general ledger.

Transfers of funds between different budget line items must be authorized by the School Committee. However, transfers from one school to another have not required authorization by the School Committee. The budget has been centrally maintained and managed by the Superintendent and the Business Manager.

FINDINGS AND RECOMMENDATIONS

We have reviewed the Proposed Budget document as presented to the School Committee in comparison to school budgets of other school systems and to criteria published by the *Government Finance Officers Association (GFOA)* and by the *Association of School Business Officials - International (ASBO)*. These standards are published in the *Appendix* of this report.

We have also reviewed the school budgets of the Lexington Public Schools, Newton Public Schools, Weston Public Schools and the Needham Public Schools. The Needham Public Schools' budget has been awarded a Certificate of Achievement from *GFOA* and an award for budgeting from the *ASBO*.

Our recommendations for Hanover are not based on any one school system's practices, budget document, or formats. Our recommendations are based on a combination of where the school budget document, budget reporting, and financial reporting are today and the implementation of some of the practices, processes and formats used by other school systems, as well as some of the standards referenced by *GFOA* and *ASBO* in the *Appendix* to this document and our judgment. Our intent is to help the School Committee and Superintendent develop more meaningful budget documents that facilitate policymaking and communications, enhance the policy-making ability of the School Committee and to then implement meaningful interim budget and financial reporting. The various policy and management officials that we have interviewed appear to understand the benefits of improved budgeting and financial reporting and think it is an important initiative.

We have also reviewed budget adoption, budget transfer and budget administration practices of the School Department. It is important to note that the School Department is funded principally by the general fund appropriation by Town Meeting and by various segregated special revenue funds including grant funds and revolving funds for fee-based programs.

The budget of the School Department is recorded in SoftRight, which is the budget and financial management system of the Town, at the beginning of the fiscal year. Budget-to-actual, year-to-date reporting is available through SoftRight. The various special revenue, grant and revolving funds are also recorded and expensed through the SoftRight financial management system. The

SoftRight financial management system is based on a chart of accounts with a comprehensive segment structure that allows for meaningful financial reporting to measure activity using various methods: by location (school site), by program, and by state function.

Our findings and recommendations with respect to the budget document, budget administration, interim budget and financial reporting are presented below.

Finding 1

Budget as proposed to School Committee should serve as a communication tool, policy document and annual financial plan

The Proposed Budget does not meet most budget standards and criteria as published by GFOA and ASBO and does not meet the standard of several other school systems. Overall, the Proposed Budget document needs improvements to provide meaningful information. A School Department's budget is most effective when it is useful to the School Committee, the public, School Department staff, Town Meeting and other users or stakeholders. It is the key opportunity to annually present a document that can be a policy document, a financial plan and an operations guide of the School Department for the coming fiscal year. The budget document should be well organized by relevant sections so it is understandable to the School Committee and any reader. At a minimum, it should include:

- a. Historical actual spending for two prior fiscal years
- b. Historical staffing (FTEs) for two prior years, current year and proposed year
- c. Projected spending through June 30 of current year
- d. Enrollment trends and changes by site
- e. Objective(s) for the ensuing fiscal year for the school site/department
- f. Summary information: Spending by Activity/Subject, Staffing (FTEs) by Activity/Subject for prior, current and proposed periods
- g. A Budget Message and Executive Summary, which are easy to follow
- h. A Table of Contents and Glossary
- i. Prior year budgets

Recommendation

Appendix III.1 presents a recommended Table of Contents for a comprehensive, clear and more meaningful presentation of the Proposed Budget to the School Committee. A formal Proposed Budget document would provide the School Committee (and community) with one clear annual presentation of the financial plan, key indicators and trends to historical actual spending and performance.

Appendices III.2a to III.2e present a five-part Recommended Format for a school/site-based budget and presents Center Elementary School as an illustrative sample. The recommended format includes:

1. Site/School Budget Narrative with Objective, and clear presentation and quantification of proposed changes for new fiscal year compared to current year for the specific school
2. Site/School Budget Summary that presents meaningful summary information for two prior years, the current year, current year projected and proposed:
 - a. Enrollment
 - b. Per Pupil Spending
 - c. Staffing/FTEs
 - d. Expenditures by Major Category
3. Budgeted resources and FTEs for each Activity/Subject
4. Enrollment, FTEs and Pupil Teacher Ratio by Grade
5. Recommended SoftRight Format by Site, Activity/Subject and Detailed Object

The Superintendent's Proposed Budget should also provide budget information for all the authorized revolving and special revenue funds available to the School Committee, i.e., School Lunch, Transportation, Before/After School Programs, etc. This information should include a brief narrative and proposed revenues, proposed staffing and proposed spending to support the program. Including that information is important to allow the School Committee and the community to have a full picture of spending for the School Department in the coming year and information about the soundness of budgeting and resources for all non-general funds. A sample of a non-general fund budget is presented in *Appendix III.3*. The critical information related to Summer School or School Lunch that should be provided is, after the fee revenue is presented, the amount of a subsidy from the general fund required, if one is required, to support the program for the ensuing fiscal year. This information will provide the School Committee with a full financial picture of the program and any required inter-fund subsidies, which the School Committee may or may not support.

Finding 2

Implement site-based budgeting with personal services and expense controls

The School Department does not present site based budgets. As discussed, the School budget is organized by about 20 line items that include total salaries and various expense accounts. These represent accounts for all schools and departments. In addition, principals have minimal involvement in the process used to create budgets for their schools and thus, have little accountability over their budgets.

Recommendations

The School Department should develop the budget by site and subject/activity Activity/Subject, showing both salaries and non-salaries within each school. State function and object should be incorporated into the site based budgets. The budget presentation should include information on enrollment trends, per-pupil expenditures, student-to-teacher ratios, and additional detail on revolving and special revenue funds for each site.

This recommendation would also include budgets for Transportation, SPED and other responsibility centers.

Within each responsibility center (sites and departments), salaries and expenses would be identified and controlled separately. Transfers between sites, transfers between salaries and expense, and transfers between departments, would now be required. Refer to Finding #6 for further detail.

Appendices III.2a through III.2e presents a sample site based budget format.

Finding 3

Standardize Forms for Budgets

Personnel responsible for their budget area use spreadsheets to document and present their budget requests. The principals and department heads present their budget requests using the same format, but the information they include from past years is not presented in a consistent format.

Recommendation

Standardized forms should be used to present each area of the budget. Each budget should be presented using the same format. Any historical information, included for comparison purposes, should be developed by the Business Manager and included in SoftRight and be presented using the same format.

Finding 4

Expand Principals' Budgets

Principals' budgets for the Center and Sylvester Elementary Schools include line items for Supplies, Textbooks, and Fixed Assets. The principal's budget for Cedar Elementary School includes a line item for Library, in addition to line items for Supplies, Textbooks, and Fixed Assets. The principal's budget for the Middle School includes a line item for Field Trips, in addition to line items for Supplies, Textbooks, Library, and Fixed Assets. The principal's budget for the Senior High School contains line items for Guidance, Band Uniform Cleaning, Supplies for Student Body, and Travel, in addition to line items for Supplies, Textbooks, Library, Field Trips, and Fixed Assets. The principals' budgets do not contain line items for personal services.

Recommendation

Principals should prepare site-based budgets that include all expenditure line items, including personal services. Principals and the Business Manager should work together to prepare the principals' site-based budgets.

Finding 5

Eliminate Spreadsheet Budgeting

Principals and department heads use spreadsheets to document and present their budget requests. Although available, the SoftRight system is not being used for this purpose.

Recommendation

The School Department should eliminate unnecessary steps in the budget creation process. Specifically, using spreadsheets for budget requests is not necessary and can be eliminated from the process. The School Department staff has received minimal training on the SoftRight accounting system. A budget webinar was recently conducted by SoftRight. Adequate training on the system would allow staff to use the system's budget module and, therefore, eliminate the unnecessary step of transferring budget amounts from spreadsheets to the accounting system. The School Department should focus on this recommendation once this training has been completed. The need for SoftRight system training is a common theme in our recommendations.

Finding 6

Budget Transfers

Budget transfers between categories must be approved by the School Committee. Categories are the items voted when the budget is approved. The Business Manager generally processes necessary transfers in November, April, May, and June. A written narrative is provided as explanation for the transfer. Transfers over \$5,000, as well as transfers between categories, require School Committee approval. Transfers less than \$5,000 within a category do not require School Committee approval. Although not a common practice, transfers can be made between sites without School Committee approval.

Recommendations

Consistent with our budget recommendations, budgets should be site-based and be prepared and approved by site. With this approval process, transfers between schools would need to be reported to the School Committee.

The School Department's budget should have separate areas for each cost center's salaries and expenses. Using this layout would mean that transfers between salaries and expenses must be approved by the School Committee. This process is similar to the current procedure that requires that the School Committee approves a line item for Total Salaries, but the difference is that salaries and expenses would be approved by the School Committee by site and other cost centers.

Finding 7

Clarify Responsibility for Journal Entries

It is unclear who is responsible for journal entries for budget transfers or any correction of errors.

Recommendation

Allow the School Department to enter journal entries for budget transfers and corrections of errors into the SoftRight system. After they are entered, the journal entries should be reviewed by the Town Finance Department and posted to the General Ledger if approved.

Finding 8

Institute a Formal Budget Order/Vote of School Committee as the Baseline for Policy Level Control and Transfers

The budget adoption vote of the School Committee does not provide for a formal Budget Order that delineates the budget areas that are subject to further action and amendment by the School Committee if the Superintendent proposes changes to a school site or department budget during the fiscal year.

Recommendation

The School Committee is the policy making body consistent with Massachusetts General Laws for the allocation of financial resources for the competing needs (schools/sites, departments, management, activities/subjects, class size) of the Hanover school system. The Superintendent's Proposed Budget is a plan and operations guide for the coming fiscal year. However, in all likelihood, due to the dynamic nature of managing a school district, the reallocation of resources is often necessary. There are levels of reallocation and decision making that are clearly policy level and not administrative.

We recommend that the adoption of the budget by the School Committee be formalized and that the School Committee vote a Budget Order assuring that any proposed reallocation of resources beyond these amounts (or decreasing these amounts from a site/school/department) must come back to the School Committee for discussion, approval or rejection of the proposed amendment to the budget. The recommended Budget Order is presented in *Appendix III.5*.

Specifically (at a minimum) the Budget Order would require transfers be made by the Administration and reported to the School Committee if funds were moved between sites (schools) or departments. However, if within a site/school/department funds were proposed to be moved from personal services to non-personal services, this would require School Committee approval.

Finding 9

Strengthen the Role of Principals and Department Heads/Directors in the Administration of the Adopted Budget

As mentioned earlier, the principals and department heads/directors submit budget requests to the Superintendent as the first step in the annual budget process. These budget requests have to be modified by the Superintendent based on the total resources available for the ensuing fiscal year. The principals and department heads/directors (directors) have not played an ongoing budget role after the submittal of the requests.

Recommendations

Budget Review and Adoption - We recommend that the principals and curriculum directors attend School Committee meetings in conjunction with the Superintendent to explain the ensuing fiscal years needs and issues at their school etc.

Budget Transfers - As referenced in Recommendations 6 and 8, the School Committee should be responsible for policy level transfers (between category of expenditure), we recommend that the principals and department heads be responsible for transfers within a category of expenditure. For example, if during the fiscal year they wish to spend more than the original budget for a certain subject or classroom expense than they had planned for (at that school site) then the principal (department) head/director should initiate the needed transfer online in a SoftRight batch to cover a purchase order for the account that requires additional funding. This example would not require a School Committee transfer.

The SoftRight “transfer” batch and the SoftRight Purchase Order batch would queue to the Business Manager for review and approval. In this manner, the principal (or department head/director) is simply assuring the availability of funds for the planned purchase and simply reprioritizing funds for the site (school). Transfer management assures that funds are released/reduced somewhere else in the site’s budget to fund the “new priority” or need for that same site.

Based on Recommendations 6 and 8 and this Recommendation, all transfers would be administered under the principal/department head for transfers within their approved expense (supplies, textbooks etc.) budget. The School Committee would be the transfer authority for reallocation of resources between personal services and expense.

Finding 10

Sound Practice of Encumbrance Accounting for Personal services (Staffing)

The Business Office encumbers the salaries of the vast majority of School Department staff at the beginning of the school year. This is a very sound and important budget management practice that is not performed by all School Departments. It also provides significant

information very early in the school year as to the financial soundness of the budget through June 30th and the potential availability of funds.

The School Department also encumbers many expense items including major items such as out-of-district tuitions.

Recommendation

The School Department should continue to use encumbrances as a means to control the budget.

Finding 11

Prepare and Publish Interim Budget and Financial Reporting

It has been not been the practice of the school administration to provide interim budget and financial reports to the School Committee to allow monitoring and understanding of the adopted budget through the fiscal year.

Recommendation

We recommend that the School Business Manager prepare and publish interim budget and financial reports for the School Committee. These reports should be published on the school website for ease of access of any interested person.

We recommend that the School Business Manager prepare a Budget Year-to-date Report that includes a two to three page clear, narrative update with analysis to the School Committee on the status and health of the budget. The report should cover at a minimum:

- Original Budget
- School Committee Voted Transfers and Revised Budget(s) by Site/School/Department
- Issues that are affecting the budget to the positive or negative by major area:
 - Status of Out-of-District Tuition Budget based on actual final enrollment and tuition rates
 - Status of Transportation Budget based on finalized contract
 - Status of Utility Budget based on usage etc.
 - Status of Personnel Budgets by Site/Department based on actual hires/salaries and encumbrances
 - And other material factors or developments
- Expended/Encumbered by Category of Expenditure to Date and Projected to June 30th

The report should be supported by Budget Year-to-Date information: by School (site), Department by Personal services and by Non-Personal services. This report would also have Original Budget, Transfers and Revised Budget Columns so that the School Committee can see any transfers made at the site by the principal/department head. The report should include a

projection for the June 30th turn back (or transfer need) for each site/department. A sample format is presented in *Appendix III.6a and III.6b*.

A SoftRight generated Year-to-Date Budget Report by Site/Activity/Object can also be provided to support the above items. This report provides significant detail. We want to clarify that the meaningful clear picture of the status of the budget must be presented in the two-to-three page narrative and in the summary by site/department by personal services and non-personal services (totals).

Finding 12

Institute Budgeting and Reporting for the Non-General Fund

The School Committee has not received annual budget information for the non-general funds of the School Department. Also, interim and year-end financial reports for these funds have not been provided to the School Committee.

Recommendation

We have referenced in the recommended annual Proposed Budget Table of Contents that the budget include a section that presents a budget for each of the non-general funds of the School Department for the ensuing fiscal year. The School Committee oversees many other funds including revolving funds, grant funds and other special revenue funds. It is important that these funds receive an annual review as to the planned use of the monies for the new fiscal year. For example, the School Committee oversees the Transportation Fund, the School Lunch Fund, and among others, the Athletics Fund.

A sample Non-General Fund Budget presentation format is presented in *Appendix III.3*. It should present the fund's purpose, a description of the activity, and the legal basis for the fund as well as revenue, proposed spending, staffing, and original fund balance. The budget should be prepared by "fund manager" or director of the program with some assistance from the School Business Manager.

On a quarterly basis, a SoftRight Budget Year-to-Date Report and a Fund Balance Report should be generated for each fund. The School Business Manager and fund manager should provide a very brief narrative on the health of the budget until year-end and present any issues of note to the School Committee. A sample fund balance report for the "Other Funds" is presented in *Appendix III.7*.

Finding 13

Expedite Purchases for Supplies

Many of the teachers in the focus groups expressed frustration regarding purchasing classroom supplies. Some stated requests take several months.

Recommendation

When the SoftRight purchasing system is instituted, attention should be given to expedite the purchase of classroom supplies.

Finding 14

Institute a Budget Calendar

The Town and the School Department do not publish a budget calendar.

Recommendation

The Town should adopt a budget calendar consistent with best budgeting practices promulgated by the Association of School Business Officials and the Government Finance Officers Association. (See Appendix III.9 and III.10 for further detail).

Frequently, communities formalize the budget process by town by-law or written policy. A budget calendar specifies dates for the completion, distribution or receipt of revenue projections, departmental appropriation guidelines and requests, a capital improvement plan, a working budget, a final budget and so forth. It allows for hearings, reviews and approvals at different levels, and accounts for the time needed to print and distribute the warrant. A budget calendar allows departments and the public to understand the budget development and approval processes and dates. For a town, the process typically begins in the fall and ends on the date of the annual town meeting.

Relative to the School Department, the budget calendar should conform to MGL Chapter 71, Section 38N which states in part that the School Committee shall hold a public hearing on its proposed annual budget not less than seven days after publication of a notice thereof in a newspaper having general circulation in such city, town or district. Prior to such public hearing the School Committee shall make available to the public at least one copy of said proposed budget for a time period of not less than forty-eight hours either at the office of the superintendent of schools or at a place so designated by the School Committee.

Finding 15

Execute Written Agreement

A written agreement between the School Committee and Municipal officials documenting agreed upon methodologies to be used when allocating, distributing or assigning municipal expenditures to the School Department does not exist.

Recommendation

The Town and School Department should develop and sign a written agreement for costs incurred by the Town on behalf of the School Department consistent with DESE regulations.

IV. GRANTS

The School Department has a number of Federal and State grants as follows:

Federal

FY10 #632 Academic Support
FY11 #305 Title I – NCIB
FY12 #274 Sped Program Improvement
FY12 #305 Title I
FY13 #240 Sped Entitlement
FY13 #274 Sped Program Improvement
FY13 #305 Title I
FY13 #140 Imp Ed Quality
FY13 #262 Early Childhood

State

FY10 #632 Academic Support
ES Health Service Grant
MTC-Green School Grant
FY13 #632 Academic Support

Most grants for FY 2013 are entitlements. Many of the grants are Special Education grants and therefore are administered by the Pupil Personnel Services Administrator. These grants include Sped 94-142, Sped Program Improvement, Teacher Quality, and Early Childhood. The Assistant Principal in the High School administers the Academic Support Services grant.

The School Department does not have a coordinator dedicated to administering grants. Traditionally, writing grants is the responsibility of the Pupil Personnel Services Administrator.

Grant managers report grant activity to the Business Manager on a monthly basis. Excel spreadsheets are used as the format for grant reports. Each grant is reported on a separate spreadsheet, which contains the grant's budget, revenue received, expenditures and balance. After the School Department requests funds, electronic payments are made by the state.

The Business Manager has provided a summary of the FY 2012 grants showing their budgeted amounts, receipts, expenditures, and remaining balances. Each of the grants' remaining balances is \$0.00. A list of the FY 2013 grants has also been provided.

Finding 16

Improve the Grant Acceptance Process

A list of grants to be awarded is periodically provided to the School Committee, but the School Committee does not vote to accept the grants. The School Committee receives this list for informational purposes only.

Recommendation

The School Committee should vote to accept grants consistent with MGL Chapter 44, Section 53A. The statute states in part that “An officer or department of any city or town, or of any regional school or other district, may accept grants or gifts of funds from the federal government and from a charitable foundation, a private corporation, or an individual, or from the commonwealth, a county or municipality or an agency thereof, and in the case of any grant or gift given for educational purposes may expend said funds for the purposes of such grant or gift with the approval of the school committee.”

Finding 17

Segregate Grant Fund Balances by Fiscal Year

Each grant is assigned its own account number. Grants that are awarded annually have the same account number, but with a different fiscal year assigned each year. The fiscal year is a separate field in the account number and can be easily changed.

The School Department developed a chart of accounts for the SoftRight system. The chart of accounts contains revenue and expenditure accounts for each grant and fiscal year, but does not contain individual fund balance accounts differentiated by grant year. With this setup, each grant’s fund balance is co-mingled and is not separated by fiscal year, which has led to issues with reconciliation of grant balances between the School Department and Town Hall. The lack of separate fund balance accounts for each grant is a minimal concern for FY 2013 since the FY 2012 grants were spent down, but this could become an issue in future years.

Recommendation

The School Department should work with the Town’s Finance Department to (1) create fund balance accounts for each grant by fiscal year and (2) journalize grant revenues and expenditures by fiscal year.

Finding 18

Eliminate Spreadsheet Accounting

Grant managers use spreadsheets for tracking grant activity. Although available, the SoftRight accounting system is not being used for this purpose.

Recommendation

The School Department should eliminate unnecessary steps in the process for tracking grant activity. Specifically, using spreadsheets for tracking grant activity is not necessary and can be eliminated from the process. The School Department staff has received minimal training on the SoftRight accounting system. Adequate training on the system would allow staff to use the system for tracking grant activity and, therefore, eliminate the unnecessary step of transferring

grant amounts from spreadsheets to the accounting system. The School Department should focus on this recommendation once this training has been completed.

Finding 19

Requisitions and purchase orders are being produced using Excel

For purchases, a requisition is signed by the grant administrator and is forwarded to the Business Manager who, after approving the requisition, generates a purchase order. Both the interim Superintendent and Business Manager sign the purchase order. The requisition and purchase order are Excel-based forms. Using Excel for these forms is an inefficient use of resources.

Recommendation

Since the SoftRight system is available and has the ability to generate requisitions and purchase orders, the system should be used for these purposes. Doing so would eliminate the reliance on Excel-based forms for requisitions and purchase orders. SoftRight training should be provided so staff learns how to create requisitions and purchase orders and begins to do so.

V. GIFTS/DONATIONS

Gifts/donations accounts are maintained for each school, as follows.

- Cedar School Other Grants/Gifts
- Cedar PTA Grants
- Center School Other Grants/Gifts
- Center PTA Grants
- Sylvester School Other Grants/Gifts
- Sylvester PTA Grants
- Middle School Other Grants/Gifts
- Middle School PTA Grants
- High School Other Grants/Gifts
- High PTA Grants
- System Wide Grants/Gifts
- Boston Foundation
- Mass School Cultural Council

Gifts from the PTA are maintained in separate accounts for each school. Other Gifts/Donations received are co-mingled in a single account, but are separately tracked using an Excel spreadsheet.

On June 28, 2006, the School Committee approved a general policy for gifts/donations. The policy authorizes the School Committee to accept gifts, the Superintendent to report gift receipts to the School Committee, and the expenditure of money from gifts/donations accounts pursuant to a warrant signed by the School Committee.

The Hanover Foundation for Educational Enrichment (HFEE) awards gifts/donations to the School Department to fund specific projects. Each separate project funded is considered to be a separate gift/donation. After a teacher submits an application for funding of a project and it is accepted by the HFEE, a purchase order is generated by the school's principal and forwarded to the HFEE. Purchase orders and checks that match the total amounts of the purchase orders are then forwarded to the business office. These checks are school-based and may cover multiple purchase orders. As with grants, requisitions and purchase orders are required for gifts/donations expenditures.

The process for creating purchase orders and processing checks for PTA gifts/donations is the same as the process used for HFEE gifts/donations.

Each school's gifts/donations account contains sub-accounts for various gifts/donations. Principals track the activity for each gift/donation using Excel spreadsheets. The Business Manager is responsible for ensuring gift/donation money is spent on the purpose(s) for which it was awarded.

Finding 20

Segregate gift and donation accounts from grants

Each gift/donation account is named Other Grants/Gifts. While gifts and grants fall under the same statute, MGL chapter 44, Section 53A, the Uniform Massachusetts Accounting System (UMAS) classifies grants separately from gifts.

Recommendation

The School Department should maintain gift and donation accounts separately from grant funds. These funds should be renamed to Gift/Donation funds.

Finding 21

Create separate funds for each gifts/donations

Several of the gifts/donations are accounted for in the same fund. Gifts/donations should be accounted for in separate funds.

Recommendation

The School Department should create individual gift/donation funds and transfer balances accordingly. By giving every gift/donation a separate account number, the tracking of activity with Excel spreadsheets could be eliminated.

Finding 22

Report to the School Committee on gifts/donations on a regular basis

Gifts/donations reports are presented to and gifts/donations are accepted by the School Committee on an every-other-meeting basis, which typically is monthly. The reports show the beginning balance, receipts, payroll, expenses, and ending balance for each gift/donation. This is a very good practice.

In FY 2012, reports on gifts/donations accounts' activity were presented to and gifts/donations were accepted by the School Committee at the following meetings: August 3, 2011; September 21, 2011; October 5, 2011; January 18, 2012; March 21, 2012; May 2, 2012 and June 19, 2012. In FY 2013, reports on gifts/donations accounts' activity were presented to and gifts/donations were accepted by the School Committee at the August 22, 2012 and September 19, 2012 meetings. Meeting minutes from subsequent School Committee meetings had not been posted, as of January 26, 2013.

Recommendation

The School Department should continue to report on gifts/donations periodically to the School Committee. The School Committee should continue to accept gifts/donations periodically and should expand this practice to accept grants in the same manner.

VI. REVOLVING ACCOUNTS

The Hanover School Department has approximately 25 revolving funds, as follows. Each revolving fund has a different fund number and is maintained separately.

- Local Education Fund
- School Lost Book Reimbursement
- Sped Transportation Revolving
- School Transportation Revolving
- Gifts/School Ballfields
- School Athletic Revolving
- Summer School Tuition
- School Building Rental Revolving
- Indians Tepee
- Middle Sch Extended Day Revolving
- Cedar Before/After Revolving
- Center/Syl Before/After Revolving
- Senior Christmas Dinner Revolving
- Student Assistance Program
- Salmond Pre-School Revolving
- Cedar Pre-School Revolving
- Center Pre-School Revolving
- Sped Revolving
- AP Exams Revolving
- MTA/Ann Wass
- Extended Opportunities "B" Programs
- Extended Opp - Night School
- Extended Opp - Cedar AS Enrichment
- Extended Opp - C/S AS Enrichment
- Performance Troupe Revolving
- Robotics Revolving
- Jump And Go Revolving
- Driver Ed Revolving
- MS Library Revolving
- Cedar Library Revolving
- Center/Syl Library Revolving
- MS After School Enrichment
- Energy Revolving

The Food Services Director administers the School Lunch account. The Athletic Director administers the Athletics account. School Principals are responsible for revolving accounts specific to their buildings, including preschool programs. The Superintendent's office administers the Lost Books account. The Director of the Before and After School program is responsible for revolving accounts for the programs at the Cedar and Center Schools, Middle

School Extended Day program, Summer School program, Drivers Ed program, and Senior Citizen Dinner function. The Business Manager administers the School Building Use, Transportation, and SPED Transportation revolving accounts. The Pupil Personnel Services Administrator manages the SPED Revolving account.

Money, most of which is provided in the form of checks, is collected by the person administering the account. The Food Service Director delivers daily cash receipts directly to the Town Treasurer and provides corresponding information to the Business Manager. Typically, the only other cash collected and deposited into a revolving fund is from gate receipts for sporting events.

Receipts received by the Business Manager are submitted with back-up documentation to support the dollar amount of the receipt. With the exception of daily receipts from cafeteria sales, the money is forwarded to the Business Manager, who is then responsible for delivering it to the Town Treasurer.

The Town Treasurer records the receipts in the accounting system, and then forwards them to the Accounting Department for posting to the General Ledger, consistent with Finance Department policy.

The Business Manager changed the procedure for delivering deposits to the Treasurer. Previously, a staff member delivered the deposits to the Treasurer, but the procedure was changed so the Business Manager delivered the deposits herself and a receipt confirming delivery was required of the Treasurer.

The School Department frequently creates blanket purchase orders for expenditures out of revolving accounts, which creates encumbrances for anticipated expenses. The vendors and dollar amounts for blanket purchase orders are determined based on history. Actual payments are tracked using Excel spreadsheets. Expenditures not covered by blanket purchase orders go through the School Department-mandated process for requisitions and purchase orders.

The Business Manager tracks revolving account activity, including payments on blanket purchase orders, using spreadsheets. This tracking ensures that account administrators have accurate balances when they request reports on their accounts, which they do of the Business Manager periodically.

New revolving accounts are presented to and accepted by the School Committee.

Finding 23

We requested a June 30, 2012 listing of School non general funds (grants, revolving, gifts/donations, student activities) from the Town and the School Department. The classifications, descriptions and balances are different in many funds. For example, the Boston Foundation Grant and Bay State Gas Grants are classified as revolving funds. These should be grant funds. The Gifts/Schools Ballfield fund, a gift account is classified as a revolving fund. Refer to *Appendix III.8* for detail. This Appendix illustrates the June 30, 2012 special revenue fund balances per the Town's general ledger and identifies differences per the School's records.

Recommendation

The Town and School Department should review all School non general funds and agree as to their classification, descriptions, and balances as of June 30, 2012.

Finding 24

The School Business Manager does not have access to the Town's ledgers to see that deposits are recorded

The Business Manager is unable to verify that deposits have been recorded in the Treasury Ledger. Only after they have been posted to the General Ledger is the Business Manager able to verify the accuracy of the recording of the deposits.

Recommendation

Allow the School Business Manager access to view cash receipts in the accounting system. This can be accomplished by one or more of the following:

- 1) The Town allowing the Business Manager access to the Treasurer's ledger
- 2) The Town allowing the Business Manager to enter the receipts in the Treasury ledger

Finding 25

Forward a list of deposits to the Business Manager

The Business Manager used to receive a weekly report containing a list of deposits. After the SoftRight system was implemented, the Business Manager stopped receiving the weekly report.

Recommendation

The School Department should have access to a weekly Treasurer's Receipt report listing the receipts received during that week. This report can show receipts that have been posted and receipts pending deposit. This recommendation complements the previous finding and recommendation. The Town and the School Department should have a formalized, periodic revenue report.

Finding 26

Report to School Committee regularly

The Superintendent typically asks the Business Manager to report to the School Committee on revolving accounts once a year. The report provided to the School Committee is Excel-based.

Recommendation

The School Committee should receive reports tracking revolving fund activity on a monthly basis. Back-up documentation supporting the revolving fund expenditures should be included with the reports. These reports can and should be produced by the SoftRight system, thus eliminating the Excel based reports. Again, the School Department has received limited SoftRight training.

Finding 27

Forward reports of account balances regularly

The Business Manager does not regularly see reports on revolving fund activity from the SoftRight system.

Recommendation

Reports containing each revolving account's activity and balances should be generated by the Town Finance Department and provided to the Business Manager on a regular basis. Eventually, the School Department should receive training from SoftRight in order to access and report on revolving fund activity.

Finding 28

Eliminate Spreadsheet Accounting

The Business Manager uses spreadsheets for tracking revolving fund activity. Although available, the SoftRight accounting system is not being used for this purpose.

Recommendation

The School Department should eliminate unnecessary steps in the process for tracking revolving fund activity. Specifically, using spreadsheets for tracking revolving fund activity is not necessary and can be eliminated from the process. The School Department staff has received minimal training on the SoftRight accounting system. Adequate training on the system would allow staff to use the system for tracking revolving fund activity and, therefore, eliminate the unnecessary step of transferring revolving fund amounts from spreadsheets to the accounting system.

VII. STUDENT ACTIVITY ACCOUNTS

Hanover Public Schools maintains four Student Activity accounts, one at Center/Sylvester Elementary, one at Cedar Elementary, one at the middle school, and one at the high school.

At the June 28, 2006 School Committee meeting, a documented policy on creating, maintaining, and closing Student Activities accounts was adopted. The policy requires a school principal to maintain one checking account for the various student activities associated with his/her school and to deposit monies into and expend monies from said checking account. It further states that principals must maintain subsidiary accounts used to track activity for each student activity within the checking account and to maintain a separate subsidiary account for interest earned by the checking account. The policy also outlines procedures to utilize if/when accounts are no longer needed. It requires principals to reconcile both the checking and agency accounts with bank statements on a monthly basis. According to the policy reports detailing activity in each subsidiary account, including interest accounts, must be generated and provided to the Superintendent or his designee annually by July 31st.

The maximum checking account balance is \$4,000 at the high school and middle school and \$2,500 at the elementary schools. Principals are responsible to ensure the account's balance does not exceed the maximum allowed.

In addition to the Student Activities policy, there are written Student Activities Procedures. The procedures limit the balances that can be maintained in the checking accounts. They also state that new student activities must be approved by the School Committee. Additionally, conditions included in the Student Activity Policy are included in the Student Activity Procedures.

Each principal is solely responsible for his/her Student Activities accounts. The only information related to Student Activities that the Business Manager sees are copies of purchase orders for large expenditures. The copies are provided for informational purposes only.

The Student Activities Policy requires that reports detailing activity in the Student Activities accounts are generated and provided to School Committee on an annual basis. Additionally, the Business Manager requires these reports on a quarterly basis.

Copies of the FY 2012 report generated and provided to the School Committee were provided for review. The format used to show each school's account activity was the same and included a cover page containing a list of the subsidiary accounts, along with the accounts' beginning balance, total receipts, total expenditures, ending balance, and net activity. Bank statements from June were provided with the report and the statements show that the accounts were in balance. Receipts and expenditures for each subsidiary account were also provided with the report. The reports are transparent and easy to read and follow.

Each of the four principals is bonded for \$10,000 for a combined total of \$40,000.

The Town Treasurer reports that the student activities accounts are reconciled each month by school. The Treasurer sends the bank statements to the school and the school returns the

statements to her after balancing the checking accounts. The Treasurer includes the student activities accounts as part of her cash reconciliation each month. As part of the Town's yearly audit, the auditors review these accounts as part of their review of the Treasurer's cash reconciliation for the Town.

Student Activity Accounts at both the senior high and middle school carried a balance exceeding \$25,000.00 during F2012. Accordingly these accounts should be audited by a CPA at least every third year.

Finding 29

Uniformity of procedures

Each principal is solely responsible for his/her student activities account. Principals implement their own procedures for recording receipts and collecting money, including documenting instructions for receiving money. Each principal develops forms to be used for tracking student activities at his/her school. Each principal handles his/her account independently, which limits uniformity in student activities procedures across schools.

Recommendation

Procedures used for student activities accounts should be expanded and standardized so they can be used for each account. Standardized forms should be used to track receipts from students to student activities coordinators and receipts should be given to the coordinators by the principals when money is transferred to them. Procedures should include how deposits to the Town Treasurer are made, how expenditures from the checking and agency accounts are made, and how the checking account is replenished.

Finding 30

Transfer of money from the student activity agency account to the checking account

Principals prepare their own documentation for replenishing their checking accounts and submit it to Town Hall. The transfer of funds from the agency account to the checking account is made electronically. The Selectmen sign the warrant that authorizes the transfer of the funds.

Recommendation

In accordance with School Committee policy, the transfer of funds to replenish the checking accounts should be included in the School Department's warrant process. Since the School Committee must sign off on the School Department's warrants, the transfer of funds to replenish the checking accounts requires signatures of the School Committee members.

Finding 31

Payments from the student activity agency account

Payments from the agency account are initiated by principals who, when requesting vendor payments, submit the payment request and supporting documentation directly to the Town and not via the School Department.

Recommendation

Payments over a designated amount should be made from the agency fund and such payments should be put on the School Department's warrant. Since the School Committee must sign off on the School Department's warrants, the transfer of funds to replenish the checking accounts requires signatures of the School Committee members and should be processed through the Business Manager.

APPENDIX II

- II.1 Hanover Public Schools: In Perspective
- II.2a 2011 Per Pupil Spending Summary
- II.2b 2009 – 2011 Per Pupil Spending Detail
- II.3 Hanover 5-Year
- II.4 Professional Development
- II.5 2010 – 2012 Teachers
- II.6 Proficiency
- II.7 Staffing
- II.8 SPED Staffing

Hanover Public Schools: In Perspective

Appendix II.1

	Hanover	Holliston	Norwell	Scituate	Wayland	State Average
I Enrollment Composition (2011-2012 October 1st)						
All Students	2,735	2,842	2,336	3,275	2,684	
Low Income	6.3%		3.3%	8.5%	6.3%	35.2%
Students with Disabilities	15.9%		14.3%	12.9%	19.6%	16.9%
English Language Learner	0.6%		0.3%	0.9%	1.2%	7.2%
% of School Aged Children Enrolled in Public School	94%	95%	94%	86%	92%	91%
II Spending						
Per Pupil Spending (In District)	\$10,834	\$12,089	\$12,074	\$12,746	\$15,902	\$13,658
Per Pupil Spending (Out of District)	\$21,144	\$41,170	\$83,958	\$62,289	\$47,733	\$21,457
% NSS above Foundation Budget	14%	28%	19%	16%	40%	16%
% Actual NSS above Required NSS	12%	25%	17%	14%	35%	13%
Chapter 70 Percent of Foundation	27.8%	30.3%	17.5%	17.5%	17.5%	44.8%
Average Teachers Salaries	\$ 68,747			\$ 74,936	\$ 84,238	\$70,340
Professional Development \$/Teacher FTE	\$ 1,708	\$ 871	\$ 2,914			\$ 3,200
III Assessment						
2012 % of Students scoring Proficient or Higher in ELA	83%	87%	90%	87%	87%	69%
2011 % of Students scoring Proficient or Higher in ELA	82%	84%	90%	88%	89%	69%
2012 % of Students scoring Proficient or Higher in Math	68%	77%	79%	81%	80%	59%
2011 % of Students scoring Proficient or Higher in Math	68%	76%	81%	81%	80%	58%
2012 % of Students scoring Proficient or Higher in Science	72%	75%		75%	84%	54%
2011 % of Students scoring Proficient or Higher in Science	71%	70%		70%	81%	52%
2012 % of High School Graduates who completed MassCore	100%	93%		93%	100%	69%
2011 % of High School Graduates who completed MassCore	100%	83%		83%	100%	70%

Hanover Public Schools: In Perspective

Appendix II.1

	Hanover	Holliston	Norwell	Scituate	Wayland	State Average
III Assessment (Continued)						
CPI Achievement Gap - ELA	94%	95%	96%	95%		87%
CPI Achievement Gap - Mathematics	86%	91%	92%	92%		80%
CPI Achievement Gap - Science	89%	92%	83%	91%		79%
Annual Drop Out Rate	0.1%	0.2%	0.3%	1.3%		2.7%
Graduation Rate	96%	95%	98%	95%		85%
Teacher Turnover Rate	12%	6%	10%	6%		12%
% Students Absent <10 Days	79%	78%	75%	70%		68%
9th to 10th Grade Promotion Rate	100%		99%	95%		91%
% ELL Students Who Attained EL Proficiency	56%	62%		44%	32%	41%
% Jr/Sr Enrolled in at least 1 AP Course	40	8	53			24
IV Schools by Level						
Total Schools in District	5	4	4	6	5	
Number of Level 1 Schools	3	3	2	4	2	
Number Level 2 Schools	1		2	2	2	
Number Level 3 Schools						
Number Level 4 Schools						
Number Level 5 Schools						
Number of Schools with Insufficient Data	1	1			1	

Data represent FY 2012 DART, FY 2011 Per Pupil Expenditures, and FY 2014 (preliminary) Chapter 70 and Net School Spending data per DESE. Holliston, Norwell and Wayland did not report certain data.

Summary of Per Pupil Expenditure in 2011

All funding sources included	Hanover			Holliston			Norwell			Scituate			Wayland			State		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
FTE Pupils																		
<i>In-district residents, choice-in, tuitioned in</i>	2,736	2,712	2,704	2,921	2,869	2,864	2,326	2,338	2,326	3,267	3,218	3,242	2,778	2,735	2,697	928,997	928,556	924,978
<i>Out-of-district SPED, charter, choice-out, tuitioned out</i>	45	46	53	84	73	63	31	32	24	59	63	54	40	43	49	56,168	57,652	59,604
All Pupils	2,782	2,759	2,757	3,005	2,942	2,927	2,357	2,369	2,350	3,326	3,281	3,296	2,817	2,778	2,746	985,165	986,208	984,582
Expenditures																		
Administration	487	464	464	360	362	371	410	437	418	566	515	460	602	656	550	437	446	447
Instructional Leadership	582	614	681	941	978	1,083	620	640	610	807	762	801	919	849	932	826	821	832
Teachers	4,662	4,928	5,006	4,855	5,130	5,286	4,049	4,181	4,260	4,922	4,875	4,979	5,736	5,974	5,962	4,907	4,953	5,027
Student/Teacher Ratio	13.3:1	13.5:1	15.7:1	13.3:1	13.5:1	13.3:1	16.3:1	16.8:1	16.5:1	14.2:1	15.2:1	14.7:1	14.0:1	13.9:1	14.2:1	13.7:1	13.9:1	13.7:1
Other Teaching Services	581	599	618	1,105	1,027	1,029	710	776	822	707	687	571	1,111	1,155	1,218	938	958	992
Professional Development	139	135	126	194	188	65	171	186	175	37	31	141	136	148	269	224	226	238
Instructional Matl/Equip/Technology	300	248	244	150	263	148	151	384	227	240	220	316	334	433	453	357	393	424
Guidance, Counseling, Testing	359	332	358	332	401	463	256	265	270	313	325	329	452	489	486	353	363	372
Pupil Services	1,131	1,174	1,159	885	913	851	986	1,018	964	854	825	829	1,219	1,280	1,089	1,170	1,161	1,200
Operations and Maintenance	944	908	882	921	934	938	1,113	941	979	744	728	821	1,505	1,507	1,206	1,100	1,046	1,067
Insurance, Retirement Programs, Other	1,054	1,014	1,188	1,007	1,343	1,212	1,898	1,889	2,026	1,426	1,350	1,616	1,858	2,228	2,461	2,214	2,197	2,296
Expenditure per in-district pupil	10,238	10,416	10,726	10,750	11,540	11,446	10,363	10,717	10,751	10,617	10,317	10,863	13,872	14,718	14,626	12,527	12,565	12,895
Expenditure per out-of-district pupil	23,791	22,180	23,144	34,393	37,752	41,170	62,734	60,560	87,482	38,481	45,528	42,453	47,425	47,363	46,425	20,928	20,822	20,605
Expenditure per pupil	10,458	10,613	10,965	11,413	12,186	12,089	11,043	11,380	11,524	11,113	10,992	11,381	14,342	15,219	15,198	13,006	13,048	13,361
Comparison to similar type/size districts *																		
Median per in-district pupil			11,258			11,258			11,258			11,608			11,258			
Median per out-of-district pupil			29,782			29,782			29,782			40,647			29,782			
Median per pupil			11,848			11,848			11,848			12,298			11,848			

**Hanover Public Schools
Benchmarking Comparative**

Appendix II.2b PPE Detai

unding sources inclu	Hanover				Holliston				Norwell				Scituate				Wayland				State		
	2009	2010	2011		2009	2010	2011		2009	2010	2011		2009	2010	2011		2009	2010	2011		2009	2010	2011
FTE Pupils																							
In-district	2,736.4	2,712.2	2,704.0	2,921.0	2,869.4	2,863.5	2,326.5	2,337.6	2,326.1	3,267.4	3,218.4	3,241.8	2,777.9	2,734.9	2,696.5	928,996.9	928,555.5	924,977.9					
Out-of-district	45.2	46.3	53.0	84.3	72.5	63.3	30.6	31.5	23.7	59.1	62.9	54.1	39.5	42.6	49.4	56,168.4	57,652.4	59,604.0					
All pupils	2,781.6	2,758.5	2,757.0	3,005.3	2,941.9	2,926.8	2,357.1	2,369.1	2,349.8	3,326.5	3,281.3	3,295.9	2,817.4	2,777.5	2,745.9	985,165.3	986,207.9	984,581.9					
Expenditures																							
Per in-district pu	10,238	10,416	10,726	10,750	11,540	11,446	10,363	10,717	10,751	10,617	10,317	10,863	13,872	14,718	14,626	12,527	12,572	12,907					
Per out-of-district	23,791	22,180	23,144	34,393	37,752	41,170	62,734	60,560	87,482	38,481	45,528	42,453	47,425	47,363	46,425	20,928	20,838	20,459					
Per pupil	10,458	10,613	10,965	11,413	12,186	12,089	11,043	11,380	11,524	11,113	10,992	11,381	14,342	15,219	15,198	13,006					13,369		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011					
In-district expenditures																							
School Committee	2	4	3	3	2	2	5	5	4	20	32	23	85	93	20	20	25	22					
Superintendent	88	100	111	86	86	88	91	89	94	230	255	242	112	119	113	77	77	79					
Assistant Superintendent	--	--	--	49	52	53	--	--	--	182	71	58	58	51	53	25	24	27					
Other District-Wide	--	--	<1	--	--	--	--	--	--	5	<1	<1	2	40	5	28	34	28					
Business and Finance	142	138	172	178	184	184	234	238	232	82	108	86	182	190	196	159	154	159					
Human Resources	30	39	42	6	6	7	19	19	20	--	--	--	35	31	57	35	33	35					
Legal Service for Schools	47	48	32	2	2	9	25	36	16	19	24	21	73	50	15	18	18	19					
Legal Settlements	--	--	--	2	--	--	--	11	11	--	--	--	--	--	--	3	3	3					
District-wide Information	178	135	103	34	31	27	36	39	40	28	25	29	54	82	90	71	78	76					
Total Administrative	487	464	464	360	362	371	410	437	418	566	515	460	602	656	550	437	446	448					
Curriculum Director	83	92	120	206	216	243	94	93	98	99	56	71	248	211	240	170	173	164					
Dept Heads (Non-School)	12	11	3	153	143	122	73	45	44	164	160	162	3	3	19	21	22	23					
School Leadership	486	508	491	468	498	491	438	484	443	497	515	551	462	479	479	486	480	482					
Curriculum Leaders	--	2	67	2	2	2	7	9	15	2	24	<1	54	56	83	72	71	71					
Admin. Technology	--	--	--	82	92	197	--	--	--	8	6	7	--	--	--	32	31	39					
Instructional Coordinator	--	<1	--	29	27	28	8	8	9	38	<1	8	153	100	111	45	44	50					
Total Instructional Personnel	582	614	681	941	978	1,083	620	640	610	807	762	801	919	849	932	826	821	828					
Teachers, Classroom	4,662	4,887	5,006	4,337	4,559	4,700	3,527	3,631	3,695	4,680	4,861	4,945	4,867	5,119	4,940	4,411	4,429	4,469					
Teachers, Specialists	--	41	--	518	570	586	522	550	565	242	14	34	869	855	1,022	497	529	553					
Total Teachers	4,662	4,928	5,006	4,855	5,130	5,286	4,049	4,181	4,260	4,922	4,875	4,979	5,736	5,974	5,962	4,907	4,958	5,023					
Medical/Therapeutic Services	--	--	--	331	222	273	252	251	249	100	190	30	244	259	273	213	222	221					
Substitute Teachers	146	121	145	198	123	138	57	86	103	64	98	69	120	98	70	104	107	114					
Paraprofessionals	366	411	402	502	610	543	366	402	437	507	359	421	591	676	708	542	551	582					
Librarians/Media Center Directors	69	67	71	74	73	76	35	38	32	36	40	52	155	122	167	80	79	76					

**Hanover Pubic Schools
Benchmarking Comparative**

Appendix II.2b PPE Detail

Funding sources include	Hanover			Holliston			Norwell			Scituate			Wayland			State		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Total Other Teacher Professional Development Leaders	581	599	618	1,105	1,027	1,029	710	776	822	707	687	571	1,111	1,155	1,218	938	958	993
Professional Days	--	--	--	7	4	11	--	--	--	26	23	17	36	31	27	25	19	16
Substitutes for Prof. Development	49	51	50	124	133	1	97	99	100	--	--	--	24	25	67	63	64	66
Professional Development Costs	8	6	7	--	--	--	10	12	10	--	--	--	--	--	--	5	6	6
Total Professional Expenses	82	77	69	63	52	52	64	75	65	11	8	124	76	92	175	131	136	153
Total Instructional Materials	139	135	126	194	188	65	171	186	175	37	31	141	136	148	269	224	226	241
Textbooks, Software/Media/Materials	89	63	61	13	26	19	36	106	52	38	24	33	62	86	37	72	83	76
Instructional Materials (Libraries)	22	22	17	43	60	62	9	9	14	56	97	60	24	30	36	49	57	63
Instructional Equipment	8	9	8	14	< 1	3	15	14	25	6	4	5	71	87	80	30	32	29
General Classroom Supplies	92	80	84	24	34	29	46	43	80	75	54	59	89	150	145	73	72	85
Other Instructional Services	18	17	13	17	11	6	4	3	5	33	11	123	18	40	20	85	79	100
Classroom Technology	59	33	30	39	129	28	41	207	50	29	29	30	63	17	124	33	49	56
Technology (Libraries)	--	--	--	< 1	1	--	--	2	--	2	< 1	6	< 1	8	< 1	8	14	10
Instructional Software	12	23	31	< 1	1	< 1	--	--	--	--	--	--	7	16	11	7	8	11
Total Instructional Materials	300	248	244	150	263	148	151	384	227	240	220	316	334	433	453	357	394	430
Guidance/Adjustment Counselors	279	252	272	271	337	322	207	217	221	214	224	214	246	272	239	242	249	251
Testing and Assessment	--	--	--	2	8	28	< 1	--	--	--	--	--	2	< 1	< 1	13	12	14
Psychological Services	80	79	86	59	57	112	48	48	49	99	102	115	205	216	247	99	102	106
Total Guidance, Counseling, and Support Services	359	332	358	332	401	463	256	265	270	313	325	329	452	489	486	353	363	371
Attendance and Parent Liaisons	2	2	2	< 1	< 1	< 1	--	--	--	--	--	--	< 1	3	1	17	16	17
Medical/Health Services	120	122	120	113	112	110	130	137	143	146	139	148	135	149	91	131	137	141
Transportation Services	343	378	354	295	294	311	287	296	320	315	301	258	284	332	356	465	451	479
Food Services	273	277	267	230	225	175	313	324	231	214	203	207	359	347	284	342	337	352
Athletics	169	159	153	180	207	176	221	225	234	133	148	168	355	340	285	127	131	133
Other Student Activities	225	235	263	66	74	78	34	36	37	46	34	47	71	94	71	59	60	64
School Security	--	--	--	< 1	--	--	--	--	--	--	--	--	13	15	1	29	29	31

**Hanover Public Schools
Benchmarking Comparative**

Appendix II.2b PPE Detail

Funding sources include	Hanover			Holliston			Norwell			Scituate			Wayland			State		
	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011	2009	2010	2011
Total Pupil Services	1,131	1,174	1,159	885	913	851	986	1,018	964	854	825	829	1,219	1,280	1,089	1,170	1,160	1,217
Custodial Services	331	322	325	357	346	351	333	337	325	356	343	334	411	413	427	361	360	362
Heating of Buildings	121	122	127	107	104	107	112	105	109	--	--	126	161	138	159	151	118	127
Utility Services	149	138	143	271	276	267	223	221	206	257	269	207	298	271	228	247	238	237
Maintenance of Grounds	25	30	17	42	45	46	105	85	92	33	34	32	235	168	78	45	47	51
Maintenance of Buildings	257	231	193	108	134	134	117	115	95	97	66	71	229	350	188	215	207	205
Building Security System	2	2	2	--	--	--	< 1	--	--	--	--	--	--	--	--	3	2	2
Maintenance of Equipment	58	63	75	34	27	31	8	7	7	< 1	< 1	< 1	4	8	5	24	23	23
Extraordinary Maintenance	--	--	--	--	--	--	22	1	29	--	--	--	--	--	--	26	25	25
Networking/Telecommunications Technology	--	--	--	--	--	--	31	28	30	--	--	--	63	68	70	15	15	16
Maintenance	--	--	--	2	1	3	161	41	86	--	15	51	106	91	50	15	13	12
Total Operations and Employer	944	908	882	921	934	938	1,113	941	979	744	728	821	1,505	1,507	1,206	1,100	1,048	1,061
Retirement Contributions	240	253	301	202	206	255	301	264	272	431	418	462	533	561	675	426	358	375
Insurance for Active Employees	608	541	650	743	918	712	1,141	1,182	1,268	749	632	818	854	1,139	1,308	1,321	1,343	1,407
Insurance for Retired Employees	151	180	192	--	156	184	391	384	416	193	251	285	359	404	407	371	394	409
Other Non-Employee Insurance	56	42	45	45	40	40	46	44	50	38	30	33	111	125	56	49	53	50
Rental Lease of Equipment	--	--	--	8	14	12	--	--	--	--	--	--	--	--	--	5	6	7
Rental Lease of Buildings	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	7	6	5
Short Term Interest RANs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	< 1	< 1	< 1
Other Fixed Charges	--	--	--	9	8	9	18	16	19	15	17	20	--	--	15	35	38	41
School Crossing Guards	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(in above)	(in above)	(in above)
Total Insurances, Rentals, and	1,054	1,014	1,188	1,007	1,343	1,212	1,898	1,889	2,026	1,426	1,350	1,616	1,858	2,228	2,461	2,214	2,199	2,295
Expenditure/in-district	10,238	10,416	10,726	10,750	11,540	11,446	10,363	10,717	10,751	10,617	10,317	10,863	13,872	14,718	14,626	12,527	12,572	12,907
Out-of-district expenditures																		
Tuitions	18,889	18,721	19,705	31,150	34,471	37,797	54,593	53,684	75,037	35,821	43,530	36,880	39,327	41,387	40,560	19,156	18,942	18,729
Transportation	4,902	3,459	3,439	3,243	3,281	3,373	8,141	6,876	12,445	2,660	1,997	5,573	8,098	5,977	5,865	1,772	1,896	1,730
Expenditure/out-of-district	23,791	22,180	23,144	34,393	37,752	41,170	62,734	60,560	87,482	38,481	45,528	42,453	47,425	47,363	46,425	20,928	20,838	20,459
Expenditure/pupil	10,458	10,613	10,965	11,413	12,186	12,089	11,043	11,380	11,524	11,113	10,992	11,381	14,342	15,219	15,198	13,006		13,369

Hanover Pubic Schools
Benchmarking Comparative

Appendix II.3 Hanover 5 Year

Hanover	2007	2008	2009	2010	2011	2012
English Language Arts Proficiency		80%	82%	81%	82%	83%
Mathematics Proficiency		67%	68%	67%	68%	68%
Science Proficiency		62%	64%	68%	71%	72%
Completed MassCore		100%	100%	100%	100%	100%
% Residents in Public Schools		96%	92%	92%	91%	94%
Annual Drop Out Rate	0.6%	0.5%	0.2%	0.3%	0.1%	
Graduation Rate	97.0%	95.8%	94.3%	95.7%	96.2%	
Professional Develoment \$/Teacher	\$1,502	\$1,742	\$1,828	\$1,800	\$1,708	
Teacher Turnover Rate			14.3%	7.2%	12.2%	12.2%
% Students Absent < 10 Days	77.0%	77.8%	78.9%	74.7%	78.8%	
9th to 10th Grade Promotion Rate	93.3%	97.5%	96.3%	94.2%	100.0%	
% ELL Who Attained EL Proficiency		0.0%	40.0%	50.0%	55.6%	
% Jr/Sr Enrolled in At Least One AP Course		35%	35%	32%	33%	40%

Hanover Pubic Schools
Benchmarking Comparative

Town	FY07	FY08	FY09	FY10	FY11
Hanover	\$1,502	\$1,742	\$1,828	\$1,800	\$1,708
Holliston	\$2,560	\$2,771	\$2,621	\$2,514	\$871
Norwell	\$2,361	\$2,463	\$2,800	\$3,025	\$2,914
Scituate	\$428	\$446	\$492	\$430	\$2,121
Wayland					
State	\$2,860	\$2,860	\$2,966	\$3,003	\$3,200

Teachers 2010-2012

all funding sources included FTEs (full-time equivalents)			Hanover			Holliston			Norwell			Scituate			Wayland			State*		
Data Definitions			2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
All students			2,698	2,685	2,735	2,864	2,870	2,842	2,345	2,343	2,336	3,278	3,276	3,275	2,738	2,686	2,684	957,053	955,563	953,369
Teachers (FTEs)																				
Teachers			203.1	198.9	174.6	215.1	212.8	213.7	143.7	139.9	141.9	231.2	215.4	222.9	195.6	193.0	189.6	69,908.6	68,754.2	69,341.9
All students:all teachers			13.3 :1	13.5 :1	15.7 :1	13.3 :1	13.5 :1	13.3 :1	16.3 :1	16.8 :1	16.5 :1	14.2 :1	15.2 :1	14.7 :1	14.0 :1	13.9 :1	14.2 :1	13.7 :1	13.9 :1	13.7 :1
Elementary			147.1	140.5	127.3	151.1	147.1	143.7	97.7	93.5	95.4	151.2	141.1	147.1	129.3	128.0	125.1	42,689.1	41,854.9	42,018.2
Teacher/student ratio			17.7 :1	17.7 :1	15.7 :1	17.7 :1	17.7 :1	15.7 :1	24.1 :1	25.1 :1	23.9 :1	22.7 :1	21.9 :1	20.8 :1	22.2 :1	23.2 :1	21.2 :1	22.4 :1	22.8 :1	21.8 :1
All students:elementary			11.1 :1	11.1 :1	10.1 :1	11.1 :1	11.1 :1	10.1 :1	14.1 :1	14.1 :1	13.1 :1	11.1 :1	12.1 :1	11.1 :1	10.1 :1	11.1 :1	10.1 :1	11.1 :1	11.1 :1	10.1 :1
General Education																				
Social Studies			122.1	117.7	101.0	136.5	134.2	105.0	97.4	93.5	53.2	144.6	149.8	53.9	123.1	116.0	65.2	42,689.1	41,854.9	30,018.2
All students:subject teachers			22.1 :1	22.8 :1	27.1 :1	21.0 :1	21.4 :1	27.1 :1	24.1 :1	25.1 :1	43.9 :1	22.7 :1	21.9 :1	60.8 :1	22.2 :1	23.2 :1	41.2 :1	22.4 :1	22.8 :1	31.8 :1
Arts/Languages			23.1	20.3	21.3	27.6	28.5	30.0	19.2	18.9	19.5	28.9	23.7	24.6	28.0	29.8	27.0	6,454.3	6,447.2	6,639.8
All students:subject teachers			116.8 :1	132.4 :1	128.7 :1	103.7 :1	100.6 :1	94.7 :1	122.4 :1	124.0 :1	120.1 :1	113.4 :1	138.0 :1	133.0 :1	97.9 :1	90.1 :1	99.4 :1	148.3 :1	148.2 :1	143.6 :1
Other subjects			28.3	22.5	24.5	15.8	17.2	47.4	10.3	9.7	51.5	23.6	17.6	117.7	15.3	18.9	68.9	6,768.7	7,430.3	20,070.9
All students:subject teachers			95.3 :1	119.5 :1	111.9 :1	181.4 :1	167.1 :1	59.9 :1	227.7 :1	242.0 :1	45.4 :1	138.8 :1	186.2 :1	27.8 :1	179.3 :1	142.1 :1	39.0 :1	141.4 :1	128.6 :1	47.5 :1
All general education teachers			173.5	160.4	146.7	179.9	180.0	182.4	126.9	122.1	124.1	197.2	191.2	196.2	166.4	164.7	161.0	55,912.1	55,732.4	56,728.8
All students:general ed teachers			15.5 :1	16.7 :1	18.6 :1	15.9 :1	15.9 :1	15.6 :1	18.5 :1	19.2 :1	18.8 :1	16.6 :1	17.1 :1	16.7 :1	16.5 :1	16.3 :1	16.7 :1	17.1 :1	17.1 :1	16.8 :1
Students:																				
Vocational-technical			--	--	--	--	--	--	--	--	--	--	--	--				58,612	58,793	57,641
SPED in-district			416	404	425	439	439	430	304	318	317	357	381	394	507	487	494	153,949	153,879	152,850
English language learners (ELLs)			8	14	16	37	40	39	3	4	7	14	25	28	15	15	21	59,158	67,567	69,856
Vocational-technical																				
Voc-tech teachers			--	--	--	--	--	--	--	--	--	--	--	--	1.0	--	0.1	2,064.9	2,107.5	2,011.6
Voc-tech students:voc-tech teachers			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	28.4 :1	27.9 :1	28.7 :1
Special education																				
Special education teachers			29.6	38.5	27.4	34.9	32.3	30.8	16.8	17.8	17.8	34.0	23.6	26.1	27.6	27.8	28.0	10,288.6	9,342.6	8,839.4
SPED students:SPED teachers			14.1 :1	10.5 :1	15.5 :1	12.6 :1	13.6 :1	14.0 :1	18.1 :1	17.9 :1	17.8 :1	10.5 :1	16.1 :1	15.1 :1	18.4 :1	17.5 :1	17.7 :1	15.0 :1	16.5 :1	17.3 :1
Limited English proficiency																				
English as second language (ESL)			--	--	0.5	0.3	0.5	0.5	--	--	--	--	0.6	0.6	0.7	0.5	0.5	872.3	796.8	1,010.3
Sheltered content and bilingual			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	770.6	774.9	751.8
All teachers of ELLs			--	--	0.5	0.3	0.5	0.5	--	--	--	--	0.6	0.6	0.7	0.5	0.5	1,643.0	1,571.7	1,762.1
ELL students:ELL teachers			--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	36.0 :1	43.0 :1	39.6 :1

Hanover Pubic Schools
Benchmarking Comparative

Comparable Districts		2012 Enrollment & Subgroup Percentages				2012 Percentage Proficient/Advanced			2012 Median Student Growth Percentile (SGP)	
		Grade Span	Total Enrolled	Low Income	SPED	ELL	ELA	Math	Science	ELA
*Hanover	PK - 12	2,735	6.3	15.9	0.6	83%	68%	72%	48.0	44.0
*Holliston	PK - 12	2,842	4.3	15.9	1.4	87%	77%	80%	63.0	57.0
*Norwell	PK - 12	2,336	3.3	14.2	0.3	90%	79%	81%	58.0	49.5
*Scituate	PK - 12	3,275	8.5	12.8	0.9	87%	81%	75%	54.0	56.0
*Wayland	PK - 12	2,684	6.3	19.4	0.8	87%	80%	84%	57.0	57.0
*Westwood	PK - 12	3,204	4.7	16.8	0.9	90%	83%	78%	58.0	58.0

District Staffing 2010-2012

all funding sources included FTEs (full-time equivalents) Data Definitions	Hanover			Holliston			Norwell			Scituate			Wayland			State*		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Number of schools	5	5	5	4	4	4	4	4	4	6	6	6	5	5	5			
All students	2,698	2,685	2,735	2,864	2,870	2,842	2,345	2,343	2,336	3,278	3,276	3,275	2,738	2,686	2,684	957,053	955,563	953,369
District administrators	3.0	3.0	5.0	4.0	4.0	4.0	2.5	2.5	2.0	4.0	4.0	4.0	6.7	7.3	7.3	1,862.6	2,151.9	2,138.8
Students:staff	899:1	895:1	547:1	716:1	718:1	711:1	938:1	937:1	1,168:1	820:1	819:1	819:1	409:1	368:1	368:1	514:1	444:1	446:1
Other district instructional leaders	1.0	1.0	1.0	2.0	2.0	2.0	2.5	2.3	3.0	5.9	5.9	5.4	6.4	5.9	7.4	1,134.8	1,101.5	1,080.7
Students:staff	2,698:1	2,685:1	2,735:1	1,432:1	1,435:1	1,421:1	938:1	1,019:1	779:1	556:1	555:1	606:1	431:1	459:1	363:1	843:1	868:1	882:1
School administrators	14.0	12.5	12.6	18.6	17.3	18.4	8.5	7.5	7.5	11.4	10.6	9.8	14.2	13.5	13.4	4,161.6	4,196.9	4,353.6
Students:staff	193:1	215:1	216:1	154:1	166:1	155:1	276:1	312:1	311:1	288:1	309:1	334:1	193:1	199:1	200:1	230:1	228:1	219:1
Instructional coaches	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.5	898.6	995.5	1,018.7
Students:staff	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1,074:1	1,065:1	960:1	936:1
Teachers	203.1	198.9	174.6	215.1	212.8	213.7	143.7	139.9	141.9	231.2	215.4	222.9	195.6	193.0	189.6	69,908.6	68,754.2	69,341.9
Students:staff	13.3 :1	13.5 :1	15.7 :1	13.3 :1	13.5 :1	13.3 :1	16.3 :1	16.8 :1	16.5 :1	14.2 :1	15.2 :1	14.7 :1	14.0 :1	13.9 :1	14.2 :1	13.7 :1	13.9 :1	13.7 :1
Long-term subs	--	--	2.5	0.2	1.7	1.0	--	--	1.0	--	--	1.0	--	--	--	486.8	485.7	434.2
Students:staff	--	--	1,077:1	--	1,698:1	2,733:1	--	--	2,336:1	--	--	3,275:1	--	--	--	1,966:1	1,967:1	2,196:1
Paraprofessionals	30.3	21.0	18.0	78.9	81.6	81.3	32.1	33.0	36.9	74.2	66.6	73.3	81.2	84.1	83.7	22,325.6	22,515.1	22,832.4
Students:staff	89:1	128:1	152:1	36:1	35:1	35:1	73:1	71:1	63:1	44:1	49:1	45:1	34:1	32:1	32:1	43:1	42:1	42:1
Tutors	7.0	6.6	11.5	6.7	7.8	8.2	10.0	12.0	12.0	--	--	--	1.0	--	3.0	925.4	969.0	839.8
Students:staff	385:1	405:1	238:1	430:1	369:1	347:1	235:1	195:1	195:1	--	--	--	2,738:1	--	895:1	1,034:1	986:1	1,135:1
Instructional support	12.0	13.0	12.0	16.9	16.9	17.8	7.2	6.7	8.9	17.9	17.9	18.2	12.3	11.5	12.8	4,526.7	4,288.2	4,419.0
Students:staff	225:1	207:1	228:1	170:1	170:1	160:1	326:1	350:1	262:1	183:1	183:1	180:1	223:1	234:1	211:1	211:1	223:1	216:1
SPED Instructional support	3.0	1.0	1.0	2.0	2.9	3.0	2.0	2.0	2.0	--	--	--	5.1	5.0	5.4	1,206.9	1,252.7	1,249.1
Students:staff	899:1	2,685:1	2,735:1	1,432:1	997:1	947:1	1,173:1	1,172:1	1,168:1	--	--	--	537:1	537:1	502:1	793:1	763:1	763:1
SPED related staff	8.9	12.0	11.0	15.5	14.4	16.6	9.9	9.0	8.9	9.7	15.5	14.1	8.6	8.6	7.9	3,716.8	4,001.1	4,076.7
Students:staff	304:1	224:1	249:1	185:1	199:1	171:1	237:1	260:1	262:1	338:1	211:1	233:1	318:1	312:1	341:1	257:1	239:1	234:1
Medical/health	5.0	5.0	5.0	4.0	4.0	3.6	4.0	4.0	4.0	7.0	7.0	6.0	1.0	1.0	--	1,872.7	1,864.6	1,894.2
Students:staff	540:1	537:1	547:1	716:1	718:1	789:1	586:1	586:1	584:1	468:1	468:1	546:1	2,738:1	2,686:1	--	511:1	512:1	503:1
Clerks/secretaries	21.5	22.5	20.0	15.5	15.5	17.5	19.1	19.4	21.5	26.3	22.0	21.5	35.7	28.6	31.9	9,056.2	8,331.5	8,038.8
Students:staff	125:1	119:1	137:1	185:1	185:1	162:1	123:1	121:1	109:1	125:1	149:1	152:1	77:1	94:1	84:1	106:1	115:1	119:1
Technology support	2.0	2.0	3.0	6.0	6.0	6.8	1.0	1.0	2.0	--	--	--	7.6	7.6	7.7	1,080.1	1,144.1	1,161.4
Students:staff	1,349:1	1,343:1	912:1	477:1	478:1	421:1	2,345:1	2,343:1	1,168:1	--	--	--	360:1	353:1	349:1	886:1	835:1	821:1

Special Education Staff 2010-2012

<i>all funding sources included FTEs (full-time equivalents)</i>	Hanover			Holliston			Norwell			Scituate			Wayland			State*		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
<i>Data Definitions</i>																		
SPED students in-district	416	404	425	439	439	430	304	318	317	357	381	394	507	487	494	153,949	153,879	152,850
Special education teachers	29.6	38.5	27.4	34.9	32.3	30.8	16.8	17.8	17.8	34.0	23.6	26.1	27.6	27.8	28.0	10,288.6	9,342.6	8,839.4
SPED students:SPED	14.1: 1	10.5: 1	15.5: 1	12.6: 1	13.6: 1	14.0: 1	18.1: 1	17.9: 1	17.8: 1	10.5: 1	16.1: 1	15.1: 1	18.4: 1	17.5: 1	17.7: 1	15.0: 1	16.5: 1	17.3: 1
SPED paraprofessionals	22.8	17.5	13.0	67.4	72.7	70.1	32.1	32.0	35.9	71.4	54.6	59.6	60.4	63.1	64.1	15,510.8	15,914.5	16,233.2
SPED students:SPED	18.3: 1	23.1: 1	32.7: 1	6.5: 1	6.0: 1	6.1: 1	9.5: 1	9.9: 1	8.8: 1	5.0: 1	7.0: 1	6.6: 1	8.4: 1	7.7: 1	7.7: 1	9.9: 1	9.7: 1	9.4: 1
SPED instructional support	3.0	1.0	1.0	2.0	2.9	3.0	2.0	2.0	2.0	--	--	--	5.1	5.0	5.4	1,206.9	1,252.7	1,249.1
SPED students:SPED	139:1	404:1	425:1	220:1	152:1	143:1	152:1	159:1	159:1	--	--	--	99:1	97:1	92:1	128:1	123:1	122:1
SPED related staff	8.9	12.0	11.0	15.5	14.4	16.6	9.9	9.0	8.9	9.7	15.5	14.1	8.6	8.6	7.9	3,716.8	4,001.1	4,076.7
SPED students:SPED	47:1	34:1	39:1	28:1	30:1	26:1	31:1	35:1	36:1	37:1	25:1	28:1	59:1	57:1	63:1	41:1	38:1	37:1

APPENDIX III

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 - b. Budget Summary
 - c. Budget and FTEs by Activity/Subject
 - d. Classroom: Enrollment, FTEs and Pupil Teacher Ratio
 - e. Recommended Format - Site/Activity/Detail Object
- III.3 Non-General Fund - Funds Budget Format
- III.4 Listing of Recommended Sites/Departments and Activities/Subjects
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Center Elementary School
Sylvester Elementary School

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School Committee
Superintendent
Business Office

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Technology
Facilities
Athletics
Transportation

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Appendix III.7: Non-general Funds

Center Elementary School

FY 15 Objectives:

Facts about Center Elementary School:

Explanation of Changes Proposed for FY 15: *Sample language*

The primary increase for FY 15 at Center is an increase of \$xx,xxx for salary and wage increases consistent with collective bargaining agreements.

The budget also recommends the addition of 1 FTE for _____ based on increased enrollment in this _____.

The direct incremental costs of all budget changes (increases and decreases) for FY 15 at Center School are presented in the *Budget Summary* on the next page. We have also presented key indicators for the school including FY 12 and FY 13 Actuals, Current Year Statistics and FY 15 Proposed. This page also shows the dollars allocated to the schools for the same four year period by major category of expenditure and the percentage change by major category. The staffing levels for each subject/activity and spending by subject/activity are presented in the Activity/Subject section.

Classroom information is presented in the following section. Specifically it presents: Classroom Enrollment, Classroom FTEs by each grade and by Regular Education and Resource Room.

The detailed budget for Center School by Activity/Subject and by object of expenditure is presented immediately following the Summary Sections. The detailed budget includes projected spending through June 30, 2014; it presents the FY 15 proposed spending and the percentage change by object of expenditure.

Center Elementary School

Appendix III.2b

I. Budget Summary

Actual		Current Year Actual and Estimated				Proposed	Change	%
FY 12	FY 13	Adopted Budget	Revised Budget	Exp/Enc. 6 Months	Projected to June 30th	FY 15	FY 14 Revised vs. FY 15 Proposed	Change
Measures and Indicators:								
Enrollment								
Per Pupil Spending (at Site)								
FTEs:								
Management and Administration								
Classroom Teachers								
Classroom Paras								
Other Instructional								
Custodians								
Total FTEs								
Expenditures by Category:								
Personal Services								
Expenses								
Equipment/Capital Outlay								
Total Expenditures								

FY 15 Major Changes and Initiatives:

Collective Bargaining Increases

Staffing Changes:

Increase of ___ FTE for

Decrease of ___ FTE for

Direct Incremental
Cost/(Savings)

II. BUDGET and FTES by ACTIVITY/SUBJECT
Center Elementary School

Appendix III.2c

	Actual		Current Year Actual and Estimated			Proposed	Change
	FY 12	FY 13	Adopted	Actual Expended	Actual Encumbered	Projected at June 30th	FY 15 FY 14 Revised
<u>EXPENDITURES BY ACTIVITY/SUBJECT:</u>							
ADMINISTRATION							
REGULAR CLASSROOM							
SPECIAL EDUCATION							
GENERAL SUPPLIES							
LIBRARY/INSTRUCTIONAL TECHNOLOGY							
ART							
MUSIC							
READING							
PHYSICAL EDUCATION / HEALTH (WELLNESS)							
SCHOOL PSYCHOLOGIST / SOCIAL WORKER							
NURSE							
CUSTODIAL SERVICES							
TOTAL CENTER ELEMENTARY EXPENDITURES							

FTES BY ACTIVITY/SUBJECT:

ADMINISTRATION
REGULAR CLASSROOM
SPECIAL EDUCATION
LIBRARY/INSTRUCTIONAL TECHNOLOGY
ART
MUSIC
READING
PHYSICAL EDUCATION / HEALTH (WELLNESS)
SCHOOL PSYCHOLOGIST / SOCIAL WORKER
NURSE
CUSTODIAL SERVICES
TOTAL CENTER ELEMENTARY FTES

II.d Center Elementary: Classroom: Enrollment, FTEs and Pupil Teacher Ratios*Appendix III.2d*

	Actual FY 12	Actual FY 13	Current Year	Proposed FY 15	Change FY 15 vs. FY 14
I. REGULAR EDUCATION					
Pre-school Teaching Staff					
Pre-school Enrollment					
Pre-school Pupil/Teacher Ratio					
Kindergarten Teaching Staff					
Kindergarten Enrollment					
Kindergarten Pupil/Teacher Ratio					
Grade 1 Teaching Staff					
Grade 1 Enrollment					
Grade 1 Pupil/Teacher Ratio					
Grade 2 Teaching Staff					
Grade 2 Enrollment					
Grade 2 Pupil/Teacher Ratio					
II. SPECIAL EDUCATION					
Pre-school Teaching Staff					
Pre-school Enrollment					
Pre-school Pupil/Teacher Ratio					
Kindergarten Teaching Staff					
Kindergarten Enrollment					
Kindergarten Pupil/Teacher Ratio					
Classroom FTES, and Pupil/Teacher Ratio					
Grade 1 Teaching Staff					
Grade 1 Enrollment					
Grade 1 Pupil/Teacher Ratio					
Grade 2 Teaching Staff					
Grade 2 Enrollment					
Grade 2 Pupil/Teacher Ratio					

Appendix III.2e

Description

Description	FY12 EXPENDED	FY13 EXPENDED	FY14 ORIGINAL BUDGET	FY14 REVISED BUDGET	FY14 EXPENSE D YTD	FY14 ENCUMB RANCE	FY14 EXP AND ENCUMB.	FY14 PROJECTE D BALANCE AT 6/30/13	FY15 PROPOSED	% CHANGE - FY 14 REVISED VS. FY 14/5 PROPOSED
<u>ADMINISTRATION:</u>										
SAL PRINCIPAL										Personal Service
SAL SECRETARY										Personal Service
SUPPLIES										Expense
SUPPLIES/PAPER										Expense
CONTRACTUAL SERVICES										Expense
TOTAL ADMINISTRATION										
<u>CLASSROOM:</u>										
SAL CENTER K										Personal Service
SAL CENTER, 1-2										Personal Service
SUPPLIES, GENERAL										Expense
SUPPLIES, SCIENCE										Expense
TEXTS										Expense
FIXED ASSETS										Expense
TOTAL REGULAR CLASSROOM										
<u>SPECIAL EDUCATION</u>										
SAL SPECIAL ED										Personal Service
SAL TCHR AIDS										Personal Service
SAL PARA										Personal Service
SPED SUPPLIES										Expense
TOTAL SPECIAL EDUCATION										
<u>LIBRARY:</u>										
SAL LIBRARY										Personal Service
SUPPLIES MEDIA										Expense
OTHER SUPPLIES										Expense
BOOKS - LIBRARY										Expense
SUBSCRIPTIONS										Expense
TOTAL LIBRARY										
<u>ART</u>										
SALARY - TEACHR										Personal Service
SUPPLIES										Expense
TOTAL ART										

CENTER ELEMENTARY SCHOOL

Recommended Format - Sample

Budget by Site, by Activity/Subject, Character of Expense and Detailed Object

Appendix III.2e

Account	Description		FY12 EXPENDED	FY13 EXPENDED	FY14 ORIGINAL BUDGET	FY14 REVISED BUDGET	FY14 EXPENDED YTD	FY 14 ENCUMBRANCE	FY14 EXP AND ENCUMB.	FY14 PROJECTED BALANCE AT 6/30/13	FY 15 PROPOSED	% CHANGE - FY 14 REVISED VS. FY 14'S PROPOSED
	MUSIC											
	SALARY - TEACHR	Personal Service										
	SUPPLIES	Expense										
	TOTAL MUSIC											
	READING											
	SALARY - TEACHR	Personal Service										
	SUPPLIES	Expense										
	TEXTBOOKS	Expense										
	TOTAL READING											
	PHYSICAL EDUCATION / HEALTH (WELLNESS)											
	SALARY - TEACHR	Personal Service										
	SUPPLIES	Expense										
	TOTAL PHYS. ED. / HEALTH											
	SCHOOL PSYCHOLOGIST / SOCIAL WORKER											
	SALARY	Personal Service										
	SUPPLIES	Expense										
	TOTAL PSYCH/SOCIAL WORKER											
	NURSE											
	SALARY	Personal Service										
	SUPPLIES	Expense										
	TOTAL NURSE											
	CUSTODIAL*											
	SALARY	Personal Service										
	TOTAL CUSTODIAL											
	TOTAL CENTER ELEMENTARY											

* BEGINNING IN FY13, CUSTODIAL SERVICES WAS MOVED FROM THE SCHOOL TO THE TOWN BUDGET

Hanover Public Schools*Appendix III.3***Sample Budget Document Format for Non-General Fund Funds
(Revolving, Grants etc.)****Fund Name:** SUMMER SCHOOL**Type of Fund:** REVOLVING**Fund Manager:****Fund Purpose:** Fee Based Program for students attending Summer School**Fund Description:** The Summer School Program is a fee based program that affords children the opportunity to receive extra instruction and enrichment. Children attend Summer School _____ days per week, for a period of _____ weeks.

A total of _____ were enrolled in FY12 and we estimate an enrollment of _____ for FY 13

Legal Basis: M. G. L. Chapter 71, Section 28.**Issues for FY 14:** The program is fee based; the fees do not recover the cost of the program and the Summer School program is subsidized by a transfer of \$ _____ from the operating budget.

Staffing/FTEs:	FY 12	FY 13	FY 14
Teachers			
Teaching Assistants			

Fund Balance:	FY 12	FY 13	FY 14

Revenues/Funding Sources:	FY 12	FY 13	FY 14
Fees			
Subsidy from Operating Budget			

Proposed Budget:	FY 12	FY 13	FY 14
Personal Services:			

Expenses:

Hanover Public Schools

Appendix III.4

Budget by Site/School or Department; Activity/Subject

**DRAFT Listing of Sites/Departments and Activities recommended to be presented in
Superintendent's Proposed Budget**

Site/School or Department	Activity/Subject
School Committee	School Committee
Superintendent	Superintendent
K-8 Director of Teaching and Learning	Curriculum Development
Pupil Personnel Services Administrator	Special Education
Business Office	Administration
Business Office	Accounting
Business Office	Payroll
Hanover High School	Administration
Hanover High School	Art
Hanover High School	Business Education
Hanover High School	English
Hanover High School	Foreign Language
Hanover High School	Science
Hanover High School	Mathematics
Hanover High School	Physical Education
Hanover High School	Social Studies
Hanover High School	Special Education
Hanover High School	Library
Hanover High School	Health
Hanover High School	Guidance
Hanover High School	Psychological Services
Hanover High School	Nurse
Hanover High School	Professional Development
Hanover High School	Fixed Assets

Hanover Public Schools

Appendix III.4

Budget by Site/School or Department; Activity/Subject

DRAFT Listing of Sites/Departments and Activities recommended to be presented in Superintendent's Proposed Budget

Site/School or Department	Activity/Subject
Hanover Middle School	Administration
Hanover Middle School	Art
Hanover Middle School	Business Education
Hanover Middle School	English
Hanover Middle School	Foreign Language
Hanover Middle School	Science
Hanover Middle School	Mathematics
Hanover Middle School	Physical Education
Hanover Middle School	Social Studies
Hanover Middle School	Special Education
Hanover Middle School	Library
Hanover Middle School	Health
Hanover Middle School	Guidance
Hanover Middle School	Psychological Services
Hanover Middle School	Nurse
Hanover Middle School	Professional Development
Hanover Middle School	Fixed Assets
Center/Sylvester, Cedar Elementary	Administration
Center/Sylvester, Cedar Elementary	Classroom
Center/Sylvester, Cedar Elementary	Special Education
Center/Sylvester, Cedar Elementary	Library
Center/Sylvester, Cedar Elementary	Art
Center/Sylvester, Cedar Elementary	Music
Center/Sylvester, Cedar Elementary	Reading
Center/Sylvester, Cedar Elementary	Physical Education / Health (Wellness)
Center/Sylvester, Cedar Elementary	School Psychologist / Social worker

Hanover Public Schools

Appendix III.4

Budget by Site/School or Department; Activity/Subject

DRAFT Listing of Sites/Departments and Activities recommended to be presented in Superintendent's Proposed Budget

Site/School or Department	Activity/Subject
Center/Sylvester, Cedar Elementary	Nurse
Center/Sylvester, Cedar Elementary	Professional Development
Center/Sylvester, Cedar Elementary	Fixed Asssets
Special Education	Administration
Special Education	Special Education Tuitions
Special Education	Supplies
Special Education	Testing
Special Education	Transportation
Technology	Technology
Athletics	Athletics
Transportation	Transportation

Budget Order***Ordered:***

That consistent with the total voted appropriation of town meeting in the amount of \$ _____ for the fiscal year commencing on July 1, 2014 that the appropriation is allocated for the following purposes by major category of expenditure. The school committee must review and vote to approve or reject any proposed transfer between category of expenditure within a site/department.

***School Site or Department and
Category of Expenditure:*****High School**

Personal Services

Expenses

Total

Middle School

Personal Services

Expenses

Total

Center Elementary School

Personal Services

Expenses

Total

Sylvester Elementary School

Personal Services

Expenses

Total

Cedar Elementary School

Personal Services

Expenses

Total

School Leadership/Administration

Personnel Services

Expenses

Total

Special Education

Personnel Services

Expenses

Total

Technology

Personnel Services

Expenses

Total

Transportation

Personnel Services

Expenses

Total

Athletics

Personnel Services

Expenses

Total

Total Appropriation*

** to agree with total Appropriation of Town Meeting*

Sample Quarterly Report to School Committee

Appendix III.6a

To: School Committee

From: Business Manager

Date:

Re: First Quarter Report – School Appropriation and “Other School Funds”

The attached shows the adopted budget and the revised budget through the first quarter.

School Committee Transfers

It reflects the one transfer as voted by the School Committee on September XX. The transfer from ----- has allowed us to supplement funds for the _____. With this transfer the funding for ____ is projected to be sufficient through the end of the fiscal year.

The attached report shows the status of the budget according to the Budget Order of the School Committee and the status of each area with projections to June 30th and the projected status of the year end position by school/department and by category of expenditure for the respective school/department.

Status of Key Areas:

I. Financial

Through the end of the quarter we have spent \$\$ or x % of the annual budget. As you will note we have encumbered full year funding for the following areas: _____. Overall staffing is within less than 0.2% of budget. Unemployment is projected to be over budget by \$ xxxx due to _____ and if necessary we will fund this if necessary with a transfer from _____. Other major spending areas including transportation, building maintenance, supplies and equipment are either favorable or on target to budget. The following are some key points by major area:

Operations and Facilities:

Utilities:

Student Services/Special Education:

Transportation:

School Sites:

A summary of the financial activity of the “Other Funds: Special Revenue/Grants/Revolving is presented in the attachment. With respect to “Other Funds” you should be aware of the following:

Grants and Private Funds (Gifts)

School Lunch Program

BASE

Etc.

A detailed Year to Date Budget Report is also provided as supporting/back-up documentation of this first quarter update and analysis.

**Hanover Public Schools
General Fund Appropriation
Quarterly Report
Date:**

Appendix III.6b

[illegible]

Hanover Public Schools
Non - General Fund Funds
Quarterly Report Format

Appendix III.7

Fund	Opening			Ending	Projected
No.	Balances	Received	Expended	Balance	Position
Non Operating Funds					at June 30th
Revolving Funds					
Cedar Before/After					
Center Before/After					
Cedar Pre-school					
Center Pre-school					
Summer School					
School Lunch					
Athletics					
Transportation					
<u>ETC</u>					
Total Revolving Funds					
Major Gifts					
Cedar PTA					
Center PTA					
Sylvester PTA					
Middle School PTA					
High School PTA					
<u>ETC</u>					
Total Gifts/Donations					
Federal Grants					
Title I					
Sped 94-142					
Teacher Quality					
<u>ETC</u>					
Total Federal Grants					
State and Other Grants					
Academic Support					
ETC					
Total State Grants					

Hanover Public Schools
Special Revenue Fund Balances
June 30, 2012

ACCOUNT		ACCOUNT	BALANCE	Appendix III.8
NUMBER		TITLE	6/30/2012	
FEDERAL - EDUCATION				Comment/Issue
24-000-3513-005	FUND BALANCE - FY11 #305 TITLE I - NCLB		133.00	
24-000-3513-017	FUND BALANCE - FY12 #305 TITLE I NCLB		12,320.00	According to Joanne's info this had a \$0.00 balance for FY12. Timing Diff?
24-000-3513-019	FUND BALANCE - FY12 #274 SPED PROGRAM IMPROV		12,172.55	I added "#274" According to Joanne's info this had a \$0.00 balance for FY12.
TOTAL FEDERAL - EDUCATION			24,625.55	
STATE - EDUCATION				
24-000-3523-007	FUND BALANCE - FY10 #632 ACADEMIC SUPPORT		0.94	I have no info to confirm this
24-000-3523-079	FUND BALANCE - FY11 SPED CIRCUIT BREAKER PROGRAM		0.00	
24-000-3523-080	FUND BALANCE - FY12 SPED CIRCUIT BREAKER PROGRAM		384,508.00	See note below
24-000-3523-083	FUND BALANCE - ES HEALTH SERVICE GRANT		2,754.70	Not listed in Joanne's info
24-000-3523-099	FUND BALANCE - MTC-GREEN SCHOOL GRANT		5,000.00	Not listed in Joanne's info
TOTAL STATE - EDUCATION			392,263.64	
REVOLVING - EDUCATION				
24-000-3300-008	FUND BALANCE - LOCAL EDUCATION FUND		851.20	Not listed in Joanne's info
24-000-3563-004	FUND BALANCE - SCHOOL LOST BOOK REIMBURSEMENT		14,991.01	
24-000-3563-021	FUND BALANCE - SPED TRANSPORTATION REVOLVING		27,825.41	
24-000-3563-040	FUND BALANCE - SCHOOL TRANSPORTATION REVOLVING		392,263.64	
24-000-3583-007	FUND BALANCE - GIFTS/SCHOOL BALLFIELDS		141.66	Not listed in Joanne's info
24-000-3563-003	FUND BALANCE - SCHOOL ATHLETIC REVOLVING		66,199.03	
24-000-3563-064	FUND BALANCE - SCHOOL ATHLETIC REV GATE & MIAA		22,351.00	
24-000-3563-001	FUND BALANCE - SUMMER SCHOOL TUITION		654.34	
24-000-3563-008	FUND BALANCE - SCHOOL BUILDING RENTAL REVOLVING		27,134.95	According to Joanne balance is \$26,984.95
24-000-3563-010	FUND BALANCE - INDIANS TEPEE		(762.71)	According to Joanne balance is \$596.79
24-000-3563-011	FUND BALANCE - HIGH SCHOOL STUDENT ACTIVITIES		50,026.31	According to bank statement agency acct is \$56326.31 & Ckg Acct is \$3375.00
24-000-3563-012	FUND BALANCE - MIDDLE SCHOOL STUDENT ACTIVITIES		7,955.87	According to bank statement agency acct is \$7885.37 & Ckg Acct is \$4000.00
24-000-3563-013	FUND BALANCE - CEDAR SCHOOL STUDENT ACTIVITIES		5,014.08	According to bank statement agency acct is \$5373.65 and ckg acct is \$2500.00
24-000-3563-014	FUND BALANCE - CENTER/SYLVESTER SCHOOL STUDENT ACTIVITI		2,106.29	According to bank statement agency acct is \$2341.83 and ckg acct is \$26.00
24-000-3563-015	FUND BALANCE - MIDDLE SCH EXTENDED REVOLVING		4,779.79	
24-000-3563-016	FUND BALANCE - CEDAR BEFORE/AFTER REVOLVING		16,933.17	According to Joanne balance is \$12,732.67
24-000-3563-017	FUND BALANCE - CENTER/SLY BEFORE/AFTER REVOLVING		49,795.46	According to Joanne balance is \$50,724.46
24-000-3563-018	FUND BALANCE - SENIOR CHRISTMAS DINNER REVOLVING		1,998.68	According to Joanne balance is \$2,062.33. She shows no expenditures in FY12.
24-000-3563-020	FUND BALANCE - STUDENT ASSISTANCE PROGRAM		2,114.50	
24-000-3563-023	FUND BALANCE - CEDAR PRE-SCHOOL REVOLVING		25,110.04	
24-000-3563-024	FUND BALANCE - CENTER PRE-SCHOOL REVOLVING		4,413.32	
24-000-3563-025	FUND BALANCE - CEDAR SCHOOL PTA GRANTS		3,615.05	Gift/donation. According to Joanne balance is \$4,129.68
24-000-3563-026	FUND BALANCE - CENTER SCHOOL PTA GRANTS		460.12	Gift/donation. Balance is ok
24-000-3563-027	FUND BALANCE - SYLVESTER SCHOOL PTA GRANTS		1,077.71	Gift/donation. According to Joanne balance is \$77.96
24-000-3563-028	FUND BALANCE - MIDDLE SCHOOL PTA GRANTS		882.00	Gift/donation. According to Joanne balance is \$888.64
24-000-3563-029	FUND BALANCE - HIGH SCHOOL PTA GRANTS		2,492.38	Gift/donation
24-000-3563-030	FUND BALANCE - CEDAR SCHOOL OTHER GRANTS/GIFTS		4,363.55	Gift/donation
24-000-3563-031	FUND BALANCE - CENTER SCHOOL OTHER GRANTS/GIFTS		1,222.35	Gift/donation
24-000-3563-032	FUND BALANCE - SYLVESTER SCHOOL OTHER GRANTS/GIF		1,238.62	Gift/donation
24-000-3563-033	FUND BALANCE - MIDDLE SCHOOL OTHER GRANTS/GIFTS		3,074.89	Gift/donation. According to Joanne balance is \$2422.89

**Hanover Public Schools
Special Revenue Fund Balances
June 30, 2012**

Appendix III.8

ACCOUNT NUMBER	TITLE	BALANCE 6/30/2012	
24-000-3563-034	FUND BALANCE - HIGH SCHOOL OTHER GRANTS/GIFTS	2,422.89	Gift/donation. According to Joanne balance is \$2603.58
24-000-3563-035	FUND BALANCE - SPED REVOLVING	23,829.19	
24-000-3563-041	FUND BALANCE - AP EXAMS REVOLVING	3,758.30	
24-000-3563-042	FUND BALANCE - MTA/ANN WASS	4.00	Not on Joanne's list
24-000-3563-064	FUND BALANCE - SUMMER ENRICHMENT	4,055.00	
24-000-3563-043	FUND BALANCE - EXTENDED OPPORTUNITIES "B" PROGRAMS	0.00	
24-000-3563-044	FUND BALANCE - EXTENDED OPP - NIGHT SCHOOL	4,905.75	According to Joanne balance is \$1075.65
24-000-3563-045	FUND BALANCE - EXTENDED OPP - CEDAR AS ENRICHMENT	1,705.34	According to Joanne balance is \$4324.85
24-000-3563-046	FUND BALANCE - EXTENDED OPP - C/S AS ENRICHMENT	12,076.37	According to Joanne balance is \$11735.99
24-000-3563-052	FUND BALANCE - PERFORMANCE TROUPE REVOLVING	575.65	
24-000-3563-055	FUND BALANCE - ROBOTICS REVOLVING	847.99	
24-000-3563-056	FUND BALANCE - JUMP AND GO REVOLVING	12.85	
24-000-3563-057	FUND BALANCE - DRIVER ED REVOLVING	3,253.26	
24-000-3563-058	FUND BALANCE - MS LIBRARY REVOLVING	2,702.45	
24-000-3563-059	FUND BALANCE - CEDAR LIBRARY REVOLVING	1,111.34	
24-000-3563-060	FUND BALANCE - CENTER/SYLVESTER LIBRARY REVOLVING	11,287.57	
24-000-3563-061	FUND BALANCE - MS AFTER SCHOOL ENRICHMENT	12,969.82	
24-000-3563-062	FUND BALANCE - ENERGY REVOLVING	154.00	Not on Joanne's list.
24-000-3583-040	FUND BALANCE - BOSTON FOUNDATION GRANT	2,000.00	
24-000-3583-041	FUND BALANCE - BAY STATE GAS GRANT	0.00	
24-000-3583-047	FUND BALANCE - CULTURAL COUNCIL/MA	200.00	
	TOTAL RECEIPTS RESERVED - OTHER	303,572.53	
	TOTALS	1,245,084.67	
Other Issues			
Circuit Breaker - Per School List			
FY11			
Received	\$0.00		
Expended	\$3,096.00		
FY12			
Received	\$382,556.00		
Expended	0		
Total Balance	\$299,460		
It looks like co-mingled the 2 years.			
There is also a CB supplement 1 for \$11,656 and CB supplement 2 for \$1,952 for a total of \$13,608. All of this was expended			
Other revolving funds on School List not on Town list			
Lunch	\$62482.08		
MS AS Tutoring	\$546.00		
MS Math Olympia	\$411.00		
Destination Imagin	\$180.65		
Other gift/revolving on School List not on Town list			
Blue Cross/Blue S	\$0.13		

APPENDIX III.9

Government Finance Officers Association (GFOA) Budget Standards

Cite page references where information can be found in the operating budget in response to each question. Please give as specific a page reference as possible.

The Budget as a Policy Document (PD)

- PD1. The document should include a coherent statement of organization-wide financial and programmatic policies and goals that address long-term concerns and issues.
- Are goals or policies stated? _____
 - Are the goals organization-wide? _____
 - Do the policies address both financial _____ and programmatic (service delivery) concerns? _____
 - Do the policies cover a multi-year time frame? _____
- PD2. The document should describe the organization's short-term financial and operational policies that guide the development of the budget for the upcoming year.
- Are short-term policies stated? _____
 - Are the short-term policies financial _____ and are they operational? _____
 - Do the policies guide the development of the annual budget (*i.e., annual pay increases, fee changes, new positions, equipment replacement, program enhancements, new facilities*)? _____
- PD3. The document should include a coherent statement of goals and objectives of organizational units (e.g., departments, divisions, offices or programs).
- Do most of the entity's organizational units have long-term goals (descriptions of anticipated accomplishments as opposed to descriptions of functions and activities required by Operations Guide Criterion #1, *e.g., recycle 20% of community's solid waste stream*)? _____
 - Do most of the entity's organizational units have quantifiable short-term objectives listed (*e.g., open two new recycling drop-off centers by December 31, xxxx*)? _____
 - Are the units' goals linked to the overall goals of the organization? _____
- PD4. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the budget for the new year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (e.g., transmittal letter, budget summary section).
- Does the message highlight the issues facing the governing body in developing the budget? _____
 - Does the message highlight the priorities set for the budget year and explain how they differ from those in the current year? _____
 - Is the message comprehensive enough to address all major funds and not only the general fund? _____
 - Does the message contain headings emphasizing highlights? _____

The Budget as a Financial Plan (FP)

- FP1. The document should include and describe all funds that are subject to appropriation.
- Are all funds appropriated by the organization included in the document? _____
 - Are all funds appropriated by the organization described in the document? _____
 - Is an overview of your fund structure contained in the document? _____
- FP2. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.
- Is a single consolidated overview that presents all resources and expenditures included in the document? _____
 - Does the overview present the major categories of revenues/sources and expenditures/uses (*i.e., revenues by major type and expenditures broken down by organization, category or character of expenditure*) for all funds? _____
- FP3. **Mandatory:** The document shall include summaries of revenues and other resources, and of expenditures for the prior year actual, current year budget and/or estimated current year actual, and proposed budget year.
- Are both revenues and expenditures for at least a three-year period (prior year actual, current year budget and/or estimate, and budget year projected) presented? _____
 - If yours is a biennial budget, are revenues and expenditures for at least a four-year period (at least one prior year actual, current year budget and/or estimate, and two budget years projected) presented? _____
- FP4. **Mandatory:** The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.
- Are the major revenue sources for all funds (usually three to five major revenue sources account for the bulk of an entity's revenues, *e.g., a local option sales tax for a locality or landing fees for an aviation authority*) identified and described? _____
 - Are the assumptions underlying the revenue estimates for the budget year discussed (*e.g., what is the basis for each estimate – i.e., trend analysis, state-provided estimates, changes in the local economy, fee increases, etc.; does percent change information supplement the explanation of why a change is expected?*)? _____
 - Are revenue trends discussed (are they also enhanced with graphics)? _____
- FP5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for governmental funds included in the budget presentation, including all balances potentially available for appropriation.
- Are disclosure of changes in fund balances (to include beginning and ending fund balances) for all governmental funds, not just the general fund, provided? _____
 - Are fund balances disclosed even if they are required to be zero? _____
 - Is narrative discussion provided in the budget message or transmittal letter if fund balances are anticipated to decline over the upcoming budget year and are both short-term and long-term consequences addressed? If projected changes are material, the discussion should be mandatory. _____
- FP6. The document should include budgeted capital expenditures and a list of major capital projects for the budget year, whether authorized in the operating budget or in a separate capital budget.
- Are budgeted capital expenditures fully disclosed in the document? _____
 - Is there a specific listing of capital projects for which appropriations are made or required for the budget year? _____
 - Is a brief description provided for each major capital project? _____

- FP7. The document should describe if and to what extent capital improvements or other major capital spending will impact the entity's current and future operating budget. The focus is on reasonably quantifiable additional costs and savings (direct or indirect) or other service impacts that result from capital spending.
- Are current and/or future operating costs such as maintenance and staffing requirements associated with bringing new facilities on line (e.g., *maintaining and staffing recreation programs for new parks, operating new schools, and maintenance and electricity for additional signalization of intersections*) estimated and included? _____
 - Are savings associated with permanent fixes to long-term maintenance problems (e.g., *replacing a roof that has required constant maintenance*) or savings from replacements (e.g., *replacement of street lights with long-life, energy-efficient bulbs*) included? _____
 - Are the operating impacts and savings quantified? _____
- FP8. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current and future operations.
- Is financial data on current debt obligations included in the document? _____
 - Is the relationship between current debt levels and legal debt limits described (requirement that a referendum be held before debt may be incurred is a form of legal debt limit)? _____
 - Are legal debt limits described and calculated (or if no legal debt limits exist, is that fact clearly stated)? _____
 - Is a description of your debt policy included? _____
- FP9. **Mandatory:** The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.
- Is a definition of the *basis of budgeting* for each fund type included? _____
 - Is an explanation of the difference between the *basis of budgeting* and *basis of accounting* provided (if the *basis of budgeting* and *basis of accounting* are the same, is this fact clearly stated)? _____
 - For budgets which essentially follow the basis of accounting are exceptions (e.g., *depreciation or compensated absences*) noted? _____

The Budget as an Operations Guide (OG)

- OG1. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units.
- Does the document clearly present the organizational units? _____
 - Does the document provide descriptions of each organizational unit (i.e., *descriptions for divisions, departments, programs, etc.*)? _____
- Note: The size or complexity of the entity dictates how far down in the organizational structure this information is presented)?*
- OG2. The document should provide objective methods to measure progress toward accomplishing the government's mission as well as specific unit and program goals and objectives.
- Are performance data directly related to the stated goals and objectives of the organization? _____
 - Do performance measures focus on results and accomplishments (e.g. output measures, efficiency measures) rather than inputs (e.g. dollars spent)? _____
- OG3. **Mandatory:** The document shall include an organization chart(s) for the entire organization.
- Is a chart provided which shows the entire organization and its components? _____

OG4. **Mandatory:** A schedule(s) or summary table(s) of personnel or position counts for prior, current and budgeted years shall be provided, including descriptions of significant changes in levels of staffing or reorganizations planned for the budget year.

- Is a summary table of personnel/position counts provided for the entire organization? _____
 - Is information presented for the three year period of prior year actual, current year estimate/budget and budget year projected? _____
 - Are significant changes in staffing levels or reorganizations for the budget year presented? _____
-

The Budget as a Communications Device (CD)

CD1. The document should provide summary information, including an overview of significant budgetary issues, trends, and resource choices. Summary information should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or other overview sections.

- Is summary information contained in the budget message/transmittal letter, overview section, or in a budget-in-brief document? _____
- Is summary information on significant budgetary issues provided? _____
- Is summary information on budgetary trends provided? _____
- Is an overview of your fund structure contained in the document? _____

CD2. The document should explain the effect, if any, of other planning processes (*e.g., strategic plans, long-range financial plans, capital improvement plans*) upon the budget and budget process.

- Are any other planning processes, *i.e., multi-year capital improvement plans, strategic plans, community "vision" statements, etc.*, identified? _____
 - Are the effects of these planning processes on the budget and the budget process explained? _____
-

CD3. **Mandatory:** The document shall describe the process for preparing, reviewing and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption. If a separate capital budget process is used, a description of the process and its relationship to the operating budget should be provided.

- Is a description of the process used to develop, review and adopt the budget included in the document? _____
 - Is a budget calendar provided to supplement and not be a substitute for the narrative information on the budget process? _____
 - If a separate capital budget process is identified, is the process and its relationship to the operating budget described? _____
 - Is a discussion of how the budget is amended provided in the budget document distributed to the public? _____
-

CD4. **Mandatory:** Charts and graphs shall be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.

- Are charts and graphs used to convey essential information (*i.e., key policies, trends, choices and impacts*) in the document? _____
 - Are graphics integrated with narratives to illustrate the information contained in the narratives? _____
-

- CD5. The document should provide narrative, tables, schedules, cross-walks or matrices to show the relationship between different revenue and expenditure classifications (e.g., *funds, programs, organizational units*).
- Is the entity's fund structure explained or illustrated (i.e., *can the reader learn the relationship between functional units and the entity's financial structure*)? _____
 - Is revenue and expenditure information cross-classified into other formats such as by major revenue classifications across funds, or by major objects of expenditure across departments, or by funds across departments? _____
-
- CD6. **Mandatory:** The document shall include a table of contents to make it easy to locate information in the document
- Is a comprehensive table of contents provided to help the reader locate information in the document? _____
-
- CD7. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understood by a reasonably informed reader.
- Is a glossary included which defines technical terms related to finance and accounting as well as terms related to organizations? _____
 - Are any acronyms used in the document defined in the glossary? _____
 - Is the glossary written in simple language for the non-technical reader to understand? _____
-
- CD8. The document should include statistical and supplemental data that describe the organization and the community or population it serves, and provide other pertinent background information related to the services provided.
- Is statistical information that defines the community such as demographics (e.g., *population, composition of population, land area, and average household income*) included in the document? _____
 - Is supplemental information such as information on the local economy (e.g., *major industries, agricultural products, transportation methods, employment, and building permits issued*) included in the document? _____
 - Is other pertinent information on your community such as its local history, maps, and service information such as number of fire stations, miles of paved and unpaved roads, number of schools by type, etc. included in the document? _____
-
- CD9. The document should be printed and formatted in such a way to enhance understanding and utility of the document to the lay reader. It should be attractive, consistent and oriented to the reader's needs.
- Is the document laid out where the page formats are consistent (so the reader doesn't need to study each page to understand what is being presented)? _____
 - Is the reader buried under minutia of interest only to the entity's staff? _____
 - Are charts and graphs laid out with sufficient explanation for the casual reader? _____
 - Are changes in type sizes and styles avoided (with the wide availability of clip art, graphics inconsistency in this regard has become more widespread)? _____
 - Does the use of graphics add to (rather than detract from) the overall presentation? _____

PLEASE NOTE:

- ♦ Outstanding ratings by all three reviewers on financial plan #6 and financial plan #7 and proficient ratings by all three reviewers on communications device #2 and communications device #3 will result in special capital recognition.
- ♦ Outstanding ratings by all three reviews on operations guide #2, outstanding ratings by at least two reviewers on policy document #3, and at least proficient ratings by all three reviewers on policy document #1 will result in special performance measures recognition.

APPENDIX III.10

Association of School Business Officials International (ASBO) Budget Criteria



Association of School Business Officials International **MERITORIOUS BUDGET AWARDS PROGRAM**

ING

MBA Criteria Checklist

Name of Entity: _____ State/Province: _____ Date: _____

The purpose of the MBA Criteria Checklist is to ensure applicants have met the requirements of the MBA Award Program and the reviewers are able to locate examples in the budget document that meet the criteria.

When completing the MBA Criteria Checklist, please refer to the MBA Criteria Narrative which more fully explains the requirements.

A. GENERAL REQUIREMENTS	<u>APPLICANTS USE</u> List all pages of the budget Document where examples can be found.	<u>REVIEWERS USE</u> EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
1. The cover contains: <ul style="list-style-type: none"> • The title "Budget" • Budget year covered • Full name of the entity • City/County of the entity* • State/Province of the entity* • Country or other postal designation* • Website address of the entity if available *Provide City/County and State/Province that is used in the entity's formal address.		
2a. The document should be divided into major sections. <ul style="list-style-type: none"> • Sections should be easily identified with tabs or title pages. • Do not add any other major section divisions (minor separations within the major sections are okay). 		
2b. The pages of the document should be numbered consecutively from page 1 to the last page in the document.		
2c. A Table of Contents precedes the Introductory Section and should refer to the document pages with exactness.		
2d. The Table of Contents identifies all major sections.		

A. GENERAL REQUIREMENTS - Continued	<u>APPLICANTS USE</u> List all pages of the budget Document where examples can be found.	<u>REVIEWERS USE</u> EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
3. A cover letter identifies any information required by the criteria that is not relevant to the school entity. Applicants should expound on reasons that they are not including certain criteria in the budget document by including examples of the criteria that will not be provided.		
4. A response to the previous review team recommendations is provided by this school entity in a separate letter.		
5. The use of graphs and charts is used to enhance communication. Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.		
6. The budget document should: <ul style="list-style-type: none"> • Be technically well prepared • Be easy to read • Flow in a logical sequence • Be clear and understandable in narration • Be free of spelling and grammar errors 	The entire budget document should meet this requirement of the Meritorious Budget Awards Program. Listing of page numbers is not necessary.	

REVIEWER'S COMMENTS:

B. INTRODUCTORY SECTION	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
1a. The document includes an Executive Summary.		
1b. The Executive Summary is liftable (meaning the Executive Summary presents a comprehensive summary of required information from each section of the budget and could be presented separately from the budget document and still present a complete picture of the entity).		
1c. The Executive Summary tells the complete budget story in narrative, numeric and graphic form. The use of charts and graphs should be in all components of the Introductory Section.		
1d. The Executive Summary presents in an integrated and summary form the following components of the budget: (A) <u>The Organizational component</u> <ul style="list-style-type: none"> • Major goals and objectives • Budget process and timeline • Significant changes from the current year in the budget process and/or budget policies and underlying causes of those changes • Explanation of allocation of human and financial resources to achieve goals and objectives 		
(B) <u>The Financial component</u> <ul style="list-style-type: none"> • Summary of revenues and expenses/expenditures for all funds • Budget comparisons of at least the current year to the budget year for all funds • Discussion of significant trends, events and initiatives • Explanation of significant financial and demographic changes 		

B. INTRODUCTORY SECTION - Continued	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
<p>(C) The Informational component</p> <ul style="list-style-type: none"> • Budget forecast • Student enrollment trends and forecasts • Tax base and rate trends • Personnel resource changes and reasons for changes • Changes in debt of the school entity • Performance results tied to expenditure per student in the state/province; 'academic efficiency' of dollars spent; federal, national, provincial governmental standards or other measures (e.g., NCLB or provincial averages of similar size districts) <p>Add footnote or paragraph to show the link between student achievement and the budgeting process using NCLB or another state or provincial measurement as an example</p>		
2. The document includes the Meritorious Budget Award certificate if received for the prior year.		
<p>3. The document includes a listing of members of the School Board.</p> <p>The document includes a listing of first-level administrative personnel.</p>		

REVIEWER'S COMMENTS:

C. ORGANIZATIONAL SECTION	APPLICANTS USE List all pages of budget document where examples can be found:	REVIEWERS USE EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
1. The document should provide an explanation of the school entity which includes the following: <ul style="list-style-type: none"> • Legal autonomy, fiscal independence/dependence • Level of education provided • Geographic area served • Number of students and number of schools • Number of funds and fund types and titles • Explanation of the classification of revenues/expenditures • Describe the basis of accounting for financial reporting. Include explanation of any significant difference between this basis and the measurement basis for budgeting 		
2. A discussion of significant budget and financial: <ul style="list-style-type: none"> • Policies • Procedures • Regulations which govern the budget process 		
3. An organizational chart, which includes the administrative staff by position or title		
4. A coherent statement of the mission of the school entity.		
5. The major goals and objectives for the school entity. <i>(If the cost of a goal or objective is significant and measurable, it is suggested that the cost be included.)</i>		
6. Describe the budget development process. Include the capital budget development process		
7. Describe the budget administration and management process.		

REVIEWER COMMENTS:

D. FINANCIAL SECTION	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
<p>1. A presentation of the budgets includes:</p> <ul style="list-style-type: none"> • All governmental funds • All proprietary funds • Level of detail required by law or adopted by the governing body • Revenues by source • Expenditures by function and object <p><i>Optional: Budgets may also be presented by program, location and/or administrative unit.</i></p>		
<p>2. A pyramid approach should be used (summary of all funds, followed with the presentation of individual funds). Narrative or footnotes should be included to explain the data presented on this section's charts and graphs. Explain major shifts from current year.</p> <p><i>Optional: The presentation may be followed by program, location, and/or administrative unit budgets.</i></p>		
<p>3. The budget presentation includes:</p> <ul style="list-style-type: none"> • Fund balances • Revenues • Expenditures • Other financing sources/uses • The current year budget or estimated current year actual • The proposed budget year <p><i>The presentation of three prior years of actual data is preferred in the Financial Section. At the option of the preparer, the information may be presented in the Informational Section in a form and format, which is comparable to the current year and proposed year. The presentation of three projected years must be included in the Informational Section, No 5.</i></p>		
<p>4. The document should:</p> <ul style="list-style-type: none"> • Describe significant revenue sources and significant expenditure categories. • Explain underlying assumptions and significant trends for each major revenue source and major expenditure category. • Describe any significant changes in fund balances. • Should the budget forecast show declining fund balances, illustrate how the district plans on addressing these negative trends. <p><i>Some explanation of the state/local funding structure may be necessary.</i></p>		

D. FINANCIAL SECTION - Continued	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
<p>5. The document should:</p> <ul style="list-style-type: none"> Describe budgeted capital expenditures Outline major capital projects for the budget year Indicate the fund that is used to account for capital expenditure projects Describe the total amount of the entity's capital improvement plan and indicate when the plan will start and when it will be completed. Disclose the funding source to address the plan and how it will affect the entity's current budget. <p><i>The focus should be on reasonably quantifiable additional costs and savings (direct and indirect) or other service impacts that result from capital spending.</i></p>		
<p>6. The document should:</p> <ul style="list-style-type: none"> Include financial data on current debt obligations Describe the relationship between current debt levels and legal debt limits Explain the effects of existing debt levels on current and future budgets 		
<p>7. The document should:</p> <ul style="list-style-type: none"> Disclose any budget items that were not approved for this budget year. Disclose the accrued obligation or retiree health insurance (if any) that Has been committed by the district. 		

REVIEWER'S COMMENTS:

E. INFORMATION SECTION	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
1. Present the assessed value of taxable property and the market value of taxable property for: <ul style="list-style-type: none"> • A minimum of three years actual • The current year budget and/or estimated current year actual • The proposed budget year 		
2. Include property tax rates and collections for: <ul style="list-style-type: none"> • A minimum of three years actual • The current year budget and/or estimated current year actual • The proposed budget year <i>Describe whether the tax rate is per \$100 of taxable value or on some other form of rate</i>		
3. Include an analysis of the budget's effect on average taxpayers for: <ul style="list-style-type: none"> • A minimum of three years actual • The current year budget and/or estimated current year actual • The proposed budget year 		
4. The document should provide a: <ul style="list-style-type: none"> • Five-year summary comparison of revenues and expenditures (three prior years actual, current year budget and/or estimated actual, and the proposed budget year. If the three prior years actual data is presented in the Financial Section, this presentation is not required.) All years must be presented in a comparable form and format, whether presented in the Financial or Informational Section. Five-year summary should be presented for all governmental funds. (Presentation of similar data for other funds is optional.)		

E. INFORMATION SECTION - Continued	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
5. Present a minimum of three years of budget forecasts beyond the proposed budget year. <ul style="list-style-type: none"> • Include beginning and ending fund balance • Revenue • Expenditures <i>The three years of budget forecasts is for each governmental fund. Forecasts for other funds are optional.</i>		
6. The document should present: <ul style="list-style-type: none"> • A minimum of three years of actual student enrollment history by school • Current budget and/or estimated current year enrollment • Proposed budget year enrollment • A minimum of three years of enrollment projections Forecasting methodology and techniques		
7. Present personnel resource allocations for: <ul style="list-style-type: none"> • A minimum of three prior years actual • The current year budget and/or estimated current year actual The proposed budget year		
8. Include the bond amortization schedule(s) of the school entity.		
9. Provide performance measures for three prior years. <ul style="list-style-type: none"> • Standardized test scores • Drop-out rates • Accomplishment of goals and objectives • Parent/student satisfaction surveys • Other performance measures 		

E. INFORMATION SECTION - Continued	FOR APPLICANTS USE ONLY List all pages of budget document where examples can be found:	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
10. Include other information to help the reader understand the past and future directions of the school entity		
11. Include a glossary of terms		

REVIEWER'S COMMENTS:

SUMMARY OF CRITERIA	FOR REVIEWERS USE ONLY EC = Exceeds Criteria MC = Meets Criteria DN = Does Not Meet Criteria
A. GENERAL REQUIREMENTS	
B. INTRODUCTORY SECTION	
C. ORGANIZATIONAL SECTION	
D. FINANCIAL SECTION	
E. INFORMATIONAL SECTION	
BUDGET PRESENTATION	

REVIEWER COMMENTS:

REVIEWER AWARD CONCLUSION: (FOR REVIEWERS USE ONLY)
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Award Meritorious Budget Award <input type="checkbox"/>	Deny Meritorious Budget Award <input type="checkbox"/>
Signature of Reviewer _____	Date _____