

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: January 11, 2005

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **MSDE BI-ANNUAL FINANCIAL STATUS REPORT FOR PERIOD
ENDING NOVEMBER 30, 2004**

ORIGINATOR: J. Robert Haines, Deputy Superintendent, Business Services

**RESOURCE
PERSON(S):** Barbara Burnopp, Executive Director, Fiscal Services
Patrick Fannon, Controller

INFORMATION

As a result of SB895, Baltimore County Public Schools is required to submit a biannual report of its financial status.

Attachments – MSDE Biannual Financial Status Report for Period Ending November 30, 2004

Bi-Annual Reporting Requirements under Senate Bill 894

Local School System: Baltimore County

X Period ending November 30, 2004 (report due to MSDE by December 31, 2004)

Report on Variances of More Than 10%

As of November 30, 2004, 42% of the fiscal year has lapsed and 30% of the 10-month school year has lapsed. The attached report shows that 38% of revenue has been received and that an equal percentage of the expenditures has been incurred as of November 30, 2004. The overall activity reported is in line with the percentage of the school year completed. There are a number of categories for which revenues received are not in line with the percent of the year completed; and where estimated expenditures for the year have been encumbered and one-time per year expenditures have been made. Therefore these categories were greater or less than the applicable percentage required. The following information is provided to explain these variances.

REVENUE

Local Appropriation:

The local appropriation is funds that have been appropriated by Baltimore County for funding of the school board. The school board draws the county funds based on actual year-to-date expenditures. As of November 30th, year-to-date actual expenditures were 32% of the total budget, and we had requested and received \$177 million of the \$570 million appropriated for the board.

Other Local Revenue:

This category includes budgeted amounts for various tuition revenues, universal service fee rebates and sundry revenues. As of November 30th, most of the tuition revenues (i.e. summer school) have been received, as well as \$1.1 million of service fee rebates and sundry revenues.

Other Resources/Transfers

This category of revenue consists of the prior year's fund balance of \$1.7 million and an estimated \$4 million due from other Maryland LEA's for Out-of-County Tuition. As of November 30th, the prior year's fund balance has been recognized. The Out-of-County Tuition are not received until late in the school year.

Bi-Annual Reporting Requirements under Senate Bill 894

Local School System: Baltimore County

X Period ending November 30, 2004 (report due to MSDE by December 31, 2004)

OBLIGATIONS (EXPENDITURES AND ENCUMBRANCES)

203 Instructional Salaries:

As anticipated, Instructional Salaries are 30% expended as of November 30, 2004. This represents the salaries paid to direct teaching personnel. These salaries generally are paid beginning in late summer and continue on to the end of the school year. As the school year is only three months completed the 30% of salaries recognized is consistent with the percent of the school year elapsed.

205 Other Instructional Costs:

Other Instructional Costs are 57% expended/obligated as of November 30, 2004. The other instructional costs category was budgeted for \$13.7 million of expenditures, including \$3 million (22%) for new computers in various schools. The computers were purchased during the summer and were in place in the schools by the time schools opened.

208 Student Health Services

As anticipated, Health Services are 31% expended/obligated as of November 30, 2004. This category represents the costs of providing health services in all schools. The salaries budget in this category represents 98% of the total budget for this area. Health services personnel are generally employed on a 10-month basis and the expenditures to date approximate the percent of the school year that has been completed.

210 Operation of Plant:

The Operation of Plant category includes all utilities costs, facility rent, and insurance premiums. Every year these are fully encumbered at the beginning of the year. Therefore, \$24.4 million has been expended/encumbered for these costs as of November 30, 2004. The category is 65% expended/obligated. At the same time last year, 62% of the category was expended/encumbered.

Bi-Annual Reporting Requirements under Senate Bill 894 Superintendent's Certification

Local School System: Baltimore County

Period ending November 30, 2004 (report due to MSDE by December 31, 2004)

Period ending March 31, 2005 (report due to MSDE by April 30, 2005)

This report reflects the financial status of the system's General Fund.

Required elements:

- Revenues, by source (local, State, federal, other)
- Expenditures, by category (as defined in the Financial Reporting Manual)
 - Current approved budget
 - Year-to-date actual
 - Encumbered or obligated expenditures
 - Available balance
 - Percent of budget remaining unspent or unencumbered
- Explanations, as necessary, if there is a variance of more than ten percentage points in any category between percent of budget obligated or received to date and percent of fiscal year elapsed

(Each system may submit the attached template or a similar document that contains all of the required elements listed above.)

Check all that apply:

The attached schedule of year-to-date revenues and expenditures accurately reflects the financial position of the Baltimore County Public Schools.

Based on my knowledge of the system's financial position, I **do not** anticipate any issues or problems associated with cash flow during this fiscal year.

Based on my knowledge of the system's financial position, I **do not** anticipate any issues or problems associated with our ability to operate within our budgeted resources and avoid a deficit situation at the end of the fiscal year.

Based on my knowledge of the system's financial position, I **do** anticipate an issue or problem related to cash flow and/or deficit spending. I have attached a description of the possible problem(s) and a corrective action plan.

Superintendent's signature

Date

Chair/President, Board of Education's signature

Date

Chief Financial Officer's signature

Date

Bi-Annual Reporting Required Under Senate Bill 894
 Period Ending Five Months Ended November 30, 2004
 Percent of Fiscal Year Elapsed 42%
 Percent of School Year Elapsed 30%

Local School System: Baltimore County Public Schools FISCAL YEAR 2005

TOTAL SUMMARY BY REVENUE SOURCE

Revenue Category	Approved Budget	Year-to-Date Revenues	Anticipated Revenues	Projected Total Revenues	Percent of Budget Received to Date *	Variance From % of Year lapsed
Local Appropriation	\$ 570,385,533	\$ 176,968,256	\$ 393,417,277	\$ 570,385,533	31%	-11%
Other Local Revenue	2,742,000	1,917,910	824,090	2,742,000	70%	28%
State Revenue	342,566,986	166,078,082	176,488,904	342,566,986	48%	6%
Federal Revenue						
Other Resources/Transfers	5,733,732	1,733,732	4,000,000	5,733,732	30%	-12%
Total Revenue	\$ 921,428,251	\$ 346,697,980	\$ 574,730,271	\$ 921,428,251	38%	-4%

TOTAL EXPENDITURE SUMMARY BY CATEGORY

Category	Approved Budget	Year-to-Date Actual Expenditures	Encumbrances/Obligations	Total Expended/Obligated	Available Balance	Percent of Budget Spent/Obligated **	Variance From % of Year lapsed
201 Administration	\$ 23,126,301	\$ 7,490,837	\$ 2,761,135	\$ 10,251,972	\$ 12,874,329	44%	2%
202 Mid-level Administration :							
Office of the Principal	52,025,181	20,449,334	128,564	20,577,898	31,447,283	40%	-2%
Administration & Supervision	9,899,102	3,563,052	114,990	3,678,042	6,221,060	37%	-5%
203 Instructional Salaries	374,416,758	110,781,096	-	110,781,096	263,635,662	30%	-12%
204 Textbooks & Instructional Supplies	17,526,680	7,111,686	1,185,123	8,296,809	9,229,871	47%	5%
205 Other Instructional Costs	13,700,759	6,664,768	1,152,747	7,817,515	5,883,244	57%	15%
206 Special Education	115,424,473	35,193,781	19,019,951	54,213,732	61,210,741	47%	5%
207 Student Personnel Services	4,516,207	1,815,056	902	1,815,958	2,700,249	40%	-2%
208 Health Services	9,766,659	3,051,593	17,242	3,068,835	6,697,824	31%	-11%
209 Student Transportation	36,764,300	13,641,863	5,501,094	19,142,957	17,621,343	52%	10%
210 Operation of Plant	62,733,053	22,863,361	17,743,644	40,607,005	22,126,048	65%	23%
211 Maintenance of Plant	20,336,588	6,643,721	3,341,717	9,985,438	10,351,150	49%	7%
212 Fixed Charges	179,052,298	58,375,540	188,217	58,563,757	120,488,541	33%	-9%
213 Food Service							
214 Community Services							
215 Capital Outlay	2,139,892	880,683	8,660	889,343	1,250,549	42%	0%
Undistributed Federal Funds							
TOTAL EXPENDITURES	\$ 921,428,251	\$ 298,526,371	\$ 51,163,986	\$ 349,690,357	\$ 571,737,894	38%	-4%

* Explanations are required where there is a variance in excess of 10 percentage points between Percent of Budget Received To Date and the percent of the fiscal year elapsed.

** Explanations are required where there is a variance in excess of 10 percentage points between Percent of Budget Spent/Obligated and the percent of the fiscal year elapsed.