

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** May 10, 2005

**TO:** **BOARD OF EDUCATION**

**FROM:** Dr. Joe A. Hairston, Superintendent

**SUBJECT:** **MSDE BIANNUAL FINANCIAL STATUS REPORT FOR PERIOD  
ENDING MARCH 31, 2005**

**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 SB894, Baltimore County Public Schools is required to submit a biannual report of its financial status.

Attachments – MSDE Biannual Financial Status Report for Period Ending March 31, 2005

## Biannual Reporting Requirements under Senate Bill 894

Local School System: Baltimore County

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

### Report on Variances of More Than 10%

As of March 31, 2005, 75% of the fiscal year and 70% of the 10-month school year has elapsed. The attached report shows that 74% of revenue has been received and that 72% of the expenditures have been incurred as of March 31, 2005. 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 one category of estimated expenditures in which the percent expended is 12% less than the percentage of the year that has elapsed. Therefore, these categories were greater or less than the applicable percentage required. The following information is provided to explain these variances.

#### REVENUE

##### Other Local Revenue:

This category includes budgeted amounts for various tuition revenues, universal service fee rebates and sundry revenues. As of March 31, most of the tuition revenues (i.e. summer school) have been received, as well as \$1.7 million of service fee rebates and sundry revenues.

##### Other Resources/Transfers

This category of revenue consists of the prior year's fund balance of \$3.2 million, (this amount was increased in January by a \$1.6 million budget supplement) and an estimated \$4 million due from other Maryland LEA's for Out-of-County Tuition. As of March 31, the prior year's fund balance has been recognized. The Out-of-County Tuition is generally not received until late in the school year.

## Biannual Reporting Requirements under Senate Bill 894

Local School System: Baltimore County

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

### **OBLIGATIONS (EXPENDITURES AND ENCUMBRANCES)**

205 Other Instructional Costs:

Other Instructional Costs are 63% expended/obligated as of March 31, 2005. The other instructional costs category was budgeted for \$14.5 million of expenditures, including \$3 million 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. We have established a deadline of May 2, 2005 for schools and offices to encumber fiscal year 2005 funds, and we anticipate that additional expenditures will be incurred for contracted services; staff development and equipment. Total expenditures for this category will not exceed the budgeted amount.

## Biannual 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)

  X   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:

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

  X   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.

  X   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

**Biannual Reporting Required Under Senate Bill 894**  
**Period-Nine Months Ended March 31,2005**  
**Percent of Fiscal Year Elapsed 75%**

**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	\$ 405,913,851	\$ 164,471,682	\$ 570,385,533	71%	-4%
Other Local Revenue	2,742,000	2,475,699	266,301	2,742,000	90%	15%
State Revenue	342,566,986	274,762,890	67,804,096	342,566,986	80%	5%
Federal Revenue					0%	0%
Other Resources/Transfers	7,242,526	3,242,526	4,000,000	7,242,526	45%	-30%
<b>Total Revenue</b>	<b>\$ 922,937,045</b>	<b>\$ 686,394,966</b>	<b>\$ 236,542,079</b>	<b>\$ 922,937,045</b>	<b>74%</b>	<b>1%</b>

**TOTAL EXPENDITURE SUMMARY BY CATEGORY**

Category	Approved Budget	Year-to-Date Actual Expenditures	Encumbrances/Obligations	Available Balance	Percent of Budget Spent/Obligated **	Variance From % of Year lapsed
201 Administration	\$ 23,126,301	\$ 14,966,321	\$ 2,392,699	\$ 5,767,281	75%	0%
202 Mid-level Administration :						
Office of the Principal	52,025,181	38,359,615	152,045	13,513,521	74%	-1%
Administration & Supervision	9,899,102	7,125,669	69,841	2,703,592	73%	-2%
203 Instructional Salaries	374,416,758	262,028,169	-	112,388,589	70%	-5%
204 Textbooks & Instructional Supplies	18,285,474	11,888,970	1,150,792	5,245,712	71%	-4%
205 Other Instructional Costs	14,450,759	8,430,577	723,082	5,297,100	63%	-12%
206 Special Education	115,424,473	78,125,700	9,818,555	27,480,218	76%	1%
207 Student Personnel Services	4,516,207	3,398,907	5,073	1,112,227	75%	0%
208 Health Services	9,766,659	7,147,480	1,139	2,618,040	73%	-2%
209 Student Transportation	36,764,300	27,018,601	1,736,378	8,009,321	78%	3%
210 Operation of Plant	62,733,053	44,307,061	7,303,674	11,122,318	82%	7%
211 Maintenance of Plant	20,336,588	11,679,784	2,114,993	6,541,811	68%	-7%
212 Fixed Charges	179,052,298	126,114,368	53,826	52,884,104	70%	-5%
213 Food Service						
214 Community Services						
215 Capital Outlay	2,139,892	1,593,817	8,380	537,695	75%	0%
Undistributed Federal Funds						
<b>TOTAL EXPENDITURES</b>	<b>\$ 922,937,045</b>	<b>\$ 642,185,039</b>	<b>\$ 25,530,477</b>	<b>\$ 255,221,529</b>	<b>72%</b>	<b>-3%</b>

\* 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.