

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** May 19, 2009

**TO:** BOARD OF EDUCATION

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

**SUBJECT:** **MSDE BIENNIAL FINANCIAL STATUS REPORT FOR PERIOD  
ENDING MARCH 31, 2009**

**ORIGINATOR:** J. Robert Haines, Esq., Deputy Superintendent

**RESOURCE  
PERSON(S):** Barbara Burnopp, Chief Financial Officer  
Patrick Fannon, Controller

**INFORMATION**

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

Attachment I – MSDE Biannual Financial Status Report – Superintendent’s Certification  
Attachment II – MSDE Biannual Financial Status Report – Revenue and Expenditure Report  
Attachment III – MSDE Biannual Financial Status Report – Report on Variances

## Biannual Reporting Requirements under Education Article 5-114 Superintendent's Certification

Local School System: Board of Education of Baltimore County

\_\_\_\_\_ Period Ending November 30, 2008 (report due to MSDE by December 31, 2008)

Period Ending March 31, 2009 (report due to MSDE by April 30, 2009)

This report reflects the financial status of the system's Current Expense Fund (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 spent or encumbered
  - ✓ 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

Local School System: Board of Education of Baltimore County\_\_ FISCAL YEAR 2009

TOTAL SUMMARY BY REVENUE SOURCE FOR CURRENT EXPENSE FUND (GENERAL FUND)

Revenue Category	Approved Budget	Year-to-Date Revenues	Anticipated Revenues	Projected Total Revenues	Percent of Budget Received to Date	Variance from % of FY Elapsed *
Local Appropriation	\$ 646,094,092	\$ 457,482,246	\$ 188,611,846	\$ 646,094,092	70.8%	-4.19%
Other Local Revenue	7,993,000	3,960,507	4,032,493	7,993,000	49.5%	-25.45%
State Revenue	515,328,633	421,694,695	93,633,938	515,328,633	81.8%	6.83%
Federal Revenue	-	-	-	-		
Other Resources/Transfers	3,000,000	3,000,000	-	3,000,000	100.0%	25.00%
<b>Total Revenue</b>	<b>\$ 1,172,415,725</b>	<b>\$ 886,137,448</b>	<b>\$ 286,278,277</b>	<b>\$ 1,172,415,725</b>	<b>75.6%</b>	<b>0.58%</b>

TOTAL EXPENDITURE SUMMARY BY CATEGORY FOR CURRENT EXPENSE FUND (GENERAL FUND)

Category	Approved Budget	Year-to-Date Actual Expenditures	Encumbrances/Obligations	Available Balance	Percent of Budget Spent/Obligated	Variance from % of FY Elapsed **
201 Administration	\$ 36,679,405	\$ 22,480,720	\$ 3,937,888	\$ 10,260,797	72.0%	-2.97%
202 Mid-level Administration	-	-	-	-		
Office of the Principal	65,444,157	47,681,480	249,492	17,513,185	73.2%	-1.76%
Administration & Supervision	14,484,232	8,617,749	134,997	5,731,486	60.4%	-14.57%
203 Instructional Salaries	432,912,938	297,584,234		135,328,704	68.7%	-6.26%
204 Textbooks & Instructional Supplies	23,460,316	16,936,566	629,006	5,894,744	74.9%	-0.13%
205 Other Instructional Costs	17,909,692	10,134,458	1,866,181	5,909,053	67.0%	-7.99%
206 Special Education	145,834,795	101,435,870	12,432,556	31,966,369	78.1%	3.08%
207 Student Personnel Services	8,049,330	5,590,434	4,833	2,454,063	69.5%	-5.49%
208 Health Services	12,960,448	9,072,015	16,073	3,872,360	70.1%	-4.88%
209 Student Transportation	51,983,390	37,344,258	4,560,018	10,079,114	80.6%	5.61%
210 Operation of Plant	85,587,587	58,734,732	14,458,736	12,394,119	85.5%	10.52%
211 Maintenance of Plant	29,598,777	17,998,127	4,575,623	7,025,027	76.3%	1.27%
212 Fixed Charges	244,280,534	190,221,199	885,897	53,173,438	78.2%	3.23%
213 Food Service	-	-	-	-		
214 Community Services	-	-	-	-		
215 Capital Outlay	3,230,124	2,106,719	37,204	1,086,201	66.4%	-8.63%
Undistributed Federal Funds	-	-	-	-		
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,172,415,725</b>	<b>\$ 825,938,561</b>	<b>\$ 43,788,504</b>	<b>\$ 302,688,660</b>	<b>74.2%</b>	<b>-0.82%</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.

**Biannual Reporting Requirements under Senate Bill 894**

Local School System: Board of Education of Baltimore County

Period Ending March 31, 2009 (report due to MSDE by April 30, 2009)

**Report on Variances of More Than 10%**

As of March 31, 2009, 75% of the fiscal year has elapsed and 70% of the 10-month school year has elapsed. The attached report shows that 75% of revenues have been received and that 74% of the expenditures have been incurred as of March 31, 2009. The overall activity reported is in line with the percentage of the 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 once a year expenditures have been made. Therefore, these categories were higher or lower than the applicable percentage required. The following information is provided to explain these variances.

**REVENUES****Other Local Revenue:**

This category is comprised of revenues from various sundry sources, including tuitions, interest on invested funds and other revenues. Approximately 50% of the budgeted revenue is from out-of-county living arrangement payments that are generally not realized until the final month of the fiscal year. It is anticipated that the Board will realize \$3.7 million from this revenue source, as well as additional revenues and will meet the revenue expectation by year end.

**Other Resources:**

This category represents the re-appropriation of prior year fund balance. The Board budgeted and received approval from the Baltimore County Council to utilize \$3 million of the prior year's fund balance, which was recorded as revenue by November 30<sup>th</sup>.

## **Biannual Reporting Requirements under Senate Bill 894**

Local School System: Board of Education of Baltimore County

Period Ending March 31, 2009 (report due to MSDE by April 30, 2009)

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

202 Mid-level Administration:

Overall the expenditures in Mid-level Administration are 71% expended at March 31, 2009, which is in line with the percentage of the year elapsed at this date. It is anticipated that the available balance in Administration & Supervision of \$5.7 million will be expended by the end of the school year.

210 Operation of Plant:

The Operation of Plant category includes all custodial costs, utilities costs, facility rent, and insurance premiums. Every year many of these anticipated costs are fully encumbered at the beginning of the year. Therefore, \$73.2 million has been expended/encumbered for these costs as of March 31, 2009. The category is 86% expended/obligated. At the same time last year, 84% of the category was expended.