

Memo

To: School Committee & Mary Gormley, Superintendent
From: Matthew J. Gillis, Assistant Superintendent for Business
Date: January 20, 2012
Re: 2nd Quarter Financial Update

Attached is the four-page summary of our school department's financial picture through December 31, 2011. We operate on a fiscal year, July 1st to June 30th, so, technically December 31st is the end of the second quarter, but the bulk of our services are provided and paid for during the school year. So, for practical purposes, the school year employee (teachers, instructional aides, department heads) work is about 40% complete. This will give us a reasonable snapshot of where revenues and expenditures are as we begin a little more than the final half of the year's planned expenditures to go.

The General Fund

The General fund has expended approximately 46.6% of its planned expenditures through December. Barring unforeseen circumstances, the school department should narrowly live within its FY12 appropriation. Salaries have approximately 62% of their total balance available and non-salary items have approximately 19.2% of their total balance available. Spring stipends have not been paid yet. Summer lump sum payments to teachers are not reflected in actual expenditures until June.

We still need to charge back approximately \$92,000 in the Instruction Non-Salary line item, bringing that balance back into the black. That can happen after the next Building Committee meeting approves the transfer of funds out of the Building Project Capital fund to reimburse the school's General Fund. The purchase was made per the Building Committee's request to help them bring their work and donated funds to close and they have not met since. The non-salary category includes "things" and services from vendors. Many of the services are encumbered and for budget tracking purposes are reflected in the actuals for the entire year. Most things, especially classroom materials, are ordered in advance so they are available and contribute to the flow of learning.

The Special Education non-salary category is within budget at the end of December and that currently reflects charging off \$652,000 of last year's Circuit Breaker reimbursement revenue that we are required to expend before this fiscal year concludes. At this point it appears we will be able to carry over the FY12 Circuit Breaker revenue at or slightly above what is budgeted, helping with the FY13 budget shortfall as planned in our currently voted, pre-town meeting, FY13 budget.

Grants

Most of the grant revenues lag the expenditures because other than the first payment, the state does not release funds until you put in claim that you have expended them. Revenues are posted through November 30, 2011, so December payments from the state are not yet reflected as they typically come in the last few days of a month. We expended nearly all of the ED Jobs Carryover

and should finish spending down our last stimulus grant in January. The other grants are with in normal range for this point of the year. The IDEA grant, used for Special Education Aides, is expected to be completed in May. The early childhood grant should be completed in the 4th quarter and the MCAS grant should be completed before May has concluded as well. Title 1 will likely carryover the funds required to maintain the Title 1 Summer Program it has historically run each summer.

Revolving Funds

Each revolving fund has its own specific purpose, limitations and funding source(s). Some collect fees before providing services (community schools, transportation, summer school, facility rental, and gift accounts) and others have more of a hybrid style of funding (athletics, student activities, adult education) and some are reimbursement programs (Medicaid, Circuit Breaker). Like the grants, the revenue lags bit during the year with posting to the General Ledger and the claims process for most reimbursement programs. Annual charge backs for direct expenditures, maintenance and overhead have not been implemented for most of the revolving funds in the first two quarters, those charges typically occur in the later part of the fiscal year. We did receive approximately \$23,342 in Medicaid reimbursement through November 30, 2011, the latest revenues posted to the General Ledger. Update on projected reimbursements will come in the next expenditure report. Invoices have been or will be sent out by the end of the month for the three revolving funds showing a negative balance. The Facility Rental revolving fund shows a significant drop in fund balance, from \$108,000 to \$45,000, for two main reasons. First, we expended \$47,171 to complete the ductwork projects at Glover and Pierce. We expended \$14,640 to repairs to the track around Brooks Field. Second, to date, we have not received payment from any fees for renting the school gyms to the Park and Recreation Department.

School Food Service Fund

The school lunch fund, approximately a \$1.3 million dollar restaurant operation, continues to thrive by providing nutritional meals that are both desirable and in accord with the federal reimbursement regulations. Sound planning, management, and daily implementation in new kitchens make this program fiscally sound. We did make the annual chargeback, approximately \$137,857, in the first half of the fiscal year, and that is up from the \$111,000 we charged back in FY11. The FY12 chargeback is for custodial work, maintenance, and administrative overhead. Through four months of the school operations, the fund balance has decreased by \$106,000 from the opening balance on July 1, 2011, and projecting the year end balance is likely to be a few thousand above the starting balance. As you will note from the Summary of Receipts and disbursements, revenues and reimbursements also lag in this program as they tend to in grants and some revolving funds, but on a cash flow basis the program is self sufficient.

c. John Phelan, Asst. Superintendent

Milton Public Schools
FY12 General Fund Budget Summary
Activity Thru 12/31/11

SC Category	FY12 Budget	Prior Year Carryover	FY12 Total Budget	FY12 Encumbrances	FY12 Expended	FY12 Balance	% Remaining
POLICY & ADMINISTRATION							
Salary	\$ 787,959	\$ -	\$ 787,959	\$ -	\$ 432,984	\$ 354,975	45.0%
Non-Salary	\$ 327,521	\$ -	\$ 327,521	\$ 4,865	\$ 107,820	\$ 214,836	65.6%
Total	\$ 1,115,480	\$ -	\$ 1,115,480	\$ 4,865	\$ 540,804	\$ 569,811	51.1%
			\$ -				
INSTRUCTIONAL LEADERSHIP							
Salary	\$ 2,212,174	\$ -	\$ 2,212,174	\$ -	\$ 937,255	\$ 1,274,919	57.6%
Non-Salary	\$ 103,027	\$ -	\$ 103,027	\$ 12,140	\$ 41,902	\$ 48,984	47.5%
Total	\$ 2,315,201	\$ -	\$ 2,315,201	\$ 12,140	\$ 979,157	\$ 1,323,903	57.2%
			\$ -				
INSTRUCTION							
Salary	\$ 15,989,988	\$ -	\$ 15,989,988	\$ 540	\$ 5,773,870	\$ 10,215,578	63.9%
Non-Salary	\$ 327,875	\$ -	\$ 327,875	\$ (36,286)	\$ 446,977	\$ (82,817)	-25.3%
Total	\$ 16,317,863	\$ -	\$ 16,317,863	\$ (35,746)	\$ 6,220,848	\$ 10,132,761	62.1%
			\$ -				
INSTRUCTIONAL SERVICES							
Salary	\$ 2,228,698	\$ -	\$ 2,228,698	\$ -	\$ 748,770	\$ 1,479,928	66.4%
Non-Salary	\$ 375,320	\$ -	\$ 375,320	\$ 51,187	\$ 124,896	\$ 199,237	53.1%
Total	\$ 2,604,018	\$ -	\$ 2,604,018	\$ 51,187	\$ 873,667	\$ 1,679,165	64.5%
SPED							
Salary	\$ 4,994,386	\$ -	\$ 4,994,386	\$ -	\$ 1,913,516	\$ 3,080,870	61.7%
Non-Salary	\$ 3,436,784	\$ -	\$ 3,436,784	\$ 2,393,599	\$ 986,721	\$ 56,464	1.6%
Total	\$ 8,431,170	\$ -	\$ 8,431,170	\$ 2,393,599	\$ 2,900,237	\$ 3,137,334	37.2%
TECHNOLOGY							
Salary	\$ 277,721	\$ -	\$ 277,721	\$ -	\$ 143,198	\$ 134,523	48.4%
Non-Salary	\$ 158,891	\$ -	\$ 158,891	\$ 1,653	\$ 116,810	\$ 40,428	25.4%
Total	\$ 436,612	\$ -	\$ 436,612	\$ 1,653	\$ 260,008	\$ 174,951	40.1%
FACILITIES							
Salary	\$ 1,406,752	\$ -	\$ 1,406,752	\$ -	\$ 610,940	\$ 795,812	56.6%
Non-Salary	\$ 1,402,248	\$ -	\$ 1,402,248	\$ 60,596	\$ 642,152	\$ 699,500	49.9%
Total	\$ 2,809,000	\$ -	\$ 2,809,000	\$ 60,596	\$ 1,245,292	\$ 1,503,112	53.5%
TOTAL GENERAL FUND	\$ 34,029,343	\$ -	\$ 34,029,343	\$ 2,488,295	\$ 13,020,012	\$ 18,521,036	54.4%

Milton Public Schools
FY12 Grant Summary
Activity Thru 12/31/2011

	Budget	Revenue	Expenditures	Budget Balance
<u>School Federal Grants</u>				
Title 1	\$ 173,969	\$ 47,528	\$ 48,633	\$ 125,336
SPED - IDEA (formerly 94-142)	\$ 1,290,213	\$ 569,388	\$ 606,350	\$ 683,863
Sped Early Childhood	\$ 26,129	\$ 10,454	\$ 11,687	\$ 14,442
Teacher Quality	\$ 88,791	\$ 9,613	\$ 39,663	\$ 49,128
ARRA- Ed Jobs	\$ 173,845	\$ -	\$ 159,490	\$ 14,355
	<u>\$ 1,752,947</u>	<u>\$ 636,983</u>	<u>\$ 865,823</u>	<u>\$ 887,124</u>
<u>State Grants</u>				
MCAS	\$ 7,500	\$ 938	\$ 3,094	\$ 4,406
Full Day Kindergarten	\$ 157,528	\$ 64,244	\$ 69,768	\$ 87,760
MCAS FY12 Summer	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
	<u>\$ 172,528</u>	<u>\$ 72,682</u>	<u>\$ 80,362</u>	<u>\$ 92,166</u>
<u>Private Grants</u>				
Lowes FY10	\$ 5,000	\$ -	\$ -	\$ 5,000
FAVA-MVAA 2011	\$ 3,000	\$ -	\$ 2,968	\$ 32
FAVA-MVAA 2012	\$ 2,000	\$ 2,000	\$ -	\$ 2,000
Wellness Grant	\$ 1,500	\$ 1,500	\$ 1,200	\$ 300
	<u>\$ 11,500</u>	<u>\$ 3,500</u>	<u>\$ 4,168</u>	<u>\$ 7,332</u>
Total Grants	<u>\$ 1,936,975</u>	<u>\$ 713,165</u>	<u>\$ 950,353</u>	<u>\$ 986,622</u>
Revenue Posted Thru 11/30/11				

**Milton Public Schools
FY 12 School Revolving Fund Summary**

Activity Thru 12/31/2011

Fund	Beginning Balance 7/1/11 (Unaudited)	Revenue	Expenditures	Ending Balance 12/31/2011
Summer School	\$220,504	\$6,500	\$178,056	\$48,948
Adult School	\$14,635	\$50,216	\$59,872	\$4,979
Athletic Revolving	\$123,358	\$95,569	\$127,085	\$91,842
Community Schools	\$367,064	\$429,127	\$427,155	\$369,036
Copeland Family Fund	\$96,280	\$7,046	\$9,373	\$93,953
Lost Textbook Revolving	\$8,291	\$2,772	\$7,099	\$3,963
Pre-School	\$19,360	\$14,605	\$2,178	\$31,786
Facility Rental	\$108,395	\$63,973	\$126,599	\$45,769
Inter Pre-School	\$25,991	\$36,895	\$25,071	\$37,815
Pupil Transportation	\$71,023	\$144,583	\$3,243	\$212,363
Athletic Team Fundraising	\$31,386	\$4,924	\$12,216	\$24,095
Welcome to Pierce MS	\$21,141	\$3,600	\$17,746	\$6,995
Circuit Breaker	\$652,000	\$291,294	\$652,000	\$291,294
MHS Accreditation Fund	\$575,403	\$0	\$140,839	\$434,565
School Dept Gifts	\$78,020	\$3,065	\$79,286	\$1,798
Music Revolving	\$10,387	\$15,820	\$3,393	\$22,815
Alternative Evening Program	\$0	\$0	\$9,973	(\$9,973)
Pierce Student Activities	\$22,332	\$36,845	\$30,692	\$28,486
HS Student Activities	\$14,801	\$8,040	\$41,888	(\$19,047)
Medicaid	(\$0)	\$23,342	\$5,968	\$17,373
Copeland Family Rental Coordinator	\$6,652	\$0	\$11,795	(\$5,144)
FDK FY12	\$149,059	\$331,576	\$317,057	\$163,578
Glover Enrichment Extended Day	\$1,127	\$6,350	\$0	\$7,477
Cunningham Enrichment Extended Day	\$0	\$4,600	\$0	\$4,600
Total Revolving Funds	<u>\$2,617,207</u>	<u>\$1,580,741</u>	<u>\$2,288,583</u>	<u>\$1,909,366</u>

Note: Revenue last posted thru 12/15/11

Milton Public Schools
School Lunch Program
12/31/2011

SUMMARY OF RECEIPTS AND DISBURSEMENTS

Cash Balance - July 1, 2011		487,436.71
<u>Receipts</u>		
Lunch Room Receipts		344,685.42
Prepaid Student/Adult Receipts		(72,738.82)
Federal/State Reimbursements		150,128.25
Catering Sales		2,023.44
Restitution		1,455.00
Total Revenues		425,553.29
Disbursements	Expenditures	Encumbrances Total
Professional Salaries	\$0.00	\$0.00 0.00
Other Salaries	\$321,540.04	\$0.00 321,540.04
Supplies General	\$27,405.76	\$0.00 27,405.76
Food	\$197,824.25	\$0.00 197,824.25
All Other Expenses	\$82,347.92	\$0.00 82,347.92
Total Expenditures+Obligations	\$629,117.97	629,117.97
Net Cash Increase (Decrease)		(203,564.68)
Cash Balance - Year to Date		283,872.03
Receipts not Posted		86,104.33
Due from Commonwealth of MA		36,076.96
Vacation liability		(24,477.75)
School chargeback		
Fund Balance -December 31, 2011		381,575.57