Welcome

FY13

End of Year

Financial Report

Workshop
State Budget News

- Chapter 70 up $127.6m (3.1%) to $4.301
- Circuit breaker up $10.6m (4.4%) to $252.4m
- Charter reimbursement up $4.5m (6.5%) to $75m
- Regional transportation up $6m (13%) to $51.5m
- Non-resident transportation up from $250k to $3m
- Homeless transp. down from $11.3m to 7.4m
- Foundation reserve up from $1m to $2m
Local Aid Payments To Be Monthly

• Beginning in July 2013
• Chapter 70, charter tuition and reimbursements, school choice tuition
• Payments and assessments on last day of each month
Chapter 70

For many districts, final C70 aid and local contribution amounts will differ greatly from preliminary figures.

Aid

- **73** districts receive foundation aid to ensure that they do not fall below their foundation budgets.

- **104** districts receive aid to phase in their target aid share.

- **203** operating districts receive minimum aid to ensure that they receive an increase of at least $25 per pupil over FY13.

Foundation Budget

- No changes to foundation budget are included.

- Inflation is set at **1.55%**.

Local Contribution

- The aggregate wealth model used since FY07 continues to be in effect.
  - For municipalities with required contributions above their targets, the requirement is reduced by **15%** of the gap.
  - For municipalities below their targets, the parameters of an additional **1%** for those between **5 and 10%** below and **2%** for those **more than 10%** below continue.

*Final C70 figures are pending the Governor’s review, approval or veto. The Legislature may vote to override his vetoes.*
Chapter 70: Reaching the Targets Over Time

Local Contribution

Chapter 70 Aid
Chapter 70: Regional Districts

The change in local contributions from the January estimates will affect the calculation of assessments in regional school districts.

• Neither the statute (G.L. c.71, s16B) nor the regulations (603 CMR 41.05) governing regional school district budgets explicitly deal with this situation.

• Guidance, developed in consultation with the associations, local officials, and other cognizant state agencies, is available at:
Federal Grants/Sequestration

Massachusetts Public School Revenue Sources (in billions)

[Graph showing revenue sources for FY00 to FY12, with categories for local, state, and federal.]
Purpose Of Report

- Education reform compliance and state aid
- Federal requirements and entitlements
- Statistical analysis for determining:
  - Per pupil spending comparisons
  - Average teacher salaries
  - School choice tuitions
  - Charter school tuitions
  - Indirect cost
  - Maintenance of effort
  - Special education expenditures % of budgets
  - ESE district reviews
Statewide spending trends

Percent Change in PK-12 Spending FY05 to FY12
Massachusetts State Totals
Number of Districts That Failed To Meet Net School Spending Requirement

<table>
<thead>
<tr>
<th>FY</th>
<th>Number of Districts</th>
</tr>
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<tbody>
<tr>
<td>FY04</td>
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<tr>
<td>FY13</td>
<td>20</td>
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</tbody>
</table>
School Finance website change

http://www.doe.mass.edu/finance/
End of Year Report FY13

School Finance: Accounting and Auditing

End of Year Financial Report

FY13 | FY12 | FY11 | FY10 | FY09

- End of Year Report Amendment Smart Form Instructions
- Chart of Accounts - Criteria for Financial Reporting
- Certification (Signature) Page
- How to Download and Upload the End of Year Pupil and Financial Report
- EOYFR Contact Information
- Transportation certification
- Leasing Schedule
- Depreciation Schedule

last updated: July 3, 2013
Packet Contents

- Memo from Jay Sullivan
- End of Year Report Manual
- Certification (signature) page *(included in manual)*
- Power Point slides
- End of Year Download/Upload instructions
- Transportation Addendum to Schedule 7 *(Certification)*
- Guidance for reporting School Construction
- Schedule of Depreciation for Municipally and Regionally owned School Transportation Vehicles
- Schedule of Costs Claimed in 5300 for Leased Buildings & Capital Equipment
- Workshop Evaluation
EOY Report Workbook Submission

Due by **October 1, 2013**

- Commissioner will only grant an extension under urgent and extenuating circumstances
- Certification and signatures by town and school officials made under penalty of perjury
- Files will be downloaded from and uploaded to the Department’s security portal – *see separate instructions*
- FY13 files should be available by late August
Non Operating Districts

• **Schedule 1**
  – Tuition
  – Transportation
  – Capital debt

• **Schedule 7**
  – Note: reimbursement of transportation costs for out of district vocational based on Schedule 7 submission
  – Transportation, both costs and pupil riding data

• **Schedule 19**
  – Tuition
  – Transportation
  – Capital debt

• **Condensed municipal EOY is mailed to town accountants in September, due in December**
General Items

- Modified accrual
- Revenues and expenditures reported by funding source
- Edit instructions reconcile data reported
- Non net school spending items highlighted
- Ordered by expenditure classifications
- + Indicates new reporting category
- ! refers to items of added emphasis that we want districts to be aware of.
File Management and Windows Versions

- Tested in Windows 7, Office 2007, XP
- Files are still generated as .xls EXCEL 2003
- Sheets are protected; freeze panes won’t work but “view split” will.
- Enable macros
Spreadsheet Do’s and Don’ts

DO make a backup copy of your EOYR file
DO enable macros when opening the file

DON’T save the file using a different name
DON’T cut & paste
DON’T enter spaces to represent zeros
DON’T change formulas
DON’T mail a hard copy printout to us.
Changes to Line, Row Structure

• Schedule 7 homeless transportation is now reported on lines 4283 and 4285 (other programs) instead of in the regular ed transportation section

• Schedule 19: lines 7105 (sch comm) and 7475 (municipal): new functional code for employee separation costs
Schedule 3
Instructional Costs by School

School Finance regulations 603 CMR 10.03 (3)(a)

“Each school district shall utilize a financial accounting system that permits the reporting of all school district expenditures by fund source, object, and function, and permits the reporting of certain costs by program, grade level and school.”

– Complete this Schedule first
– Include all instructional services
  • School committee & city/town appropriations (Cols 1-7)
  • Grants and Other funding sources (circuit breaker, choice etc.)
Part 1: Revenue

A  From Local sources + E-Rate
B  From State Aid, included in report except for School 
Construction aid
C  From Federal DESE Grants, included in report
D  From State DESE Grants, included in report
E  From Revolving and Special Funds, School Choice receipts, 
included in report

Note: Must report State and Federal Grants from Other Agencies.
A School Committee expenditures

Administration (1000)
Instruction (2000) *Already reported in Schedule 3*
Pupil services (3000)
Transportation (3300) – *Maintain Depreciation Schedule*,
Maintenance (4000) – Extraordinary Maintenance <$100,000*
Rental (5300) - *Maintain Rental Schedule*
Crossing Guards (5550)
Short term debt – (5400/5450) RANS/BANS
Civic Activities and Community Services, *Include Adult Education*
Fixed assets (7000)
Long term debt (8000) – RSD only – *No principal for bonded extraordinary maintenance*

*Report expenditures in accordance with Guidance for Reporting School Construction.*

Tuition (9000) - *school choice and charter schools included for regional school districts*
Schedule 1, Part II - Expenditures

B Expenditures by city or town - record expenditures which result in services directly related to the local school department

- Reporting categories allowed by state aid regulations 10.04
  - Administrative Services - Per Pupil Cost for FY13 is $111.83
  - Pupil Transportation – (3300, 6900) must reconcile with Schedule 7
  - Extraordinary maintenance (4300) < $100,000
  - Benefits and Insurance – costs to administer, record in 1420
  - Rental – (5300) do not record lease/purchase costs. Maintain Rental Schedule
  - RANS – (5400) revenue anticipation notes (operating)
  - BANS – (5450) short term debt (capital)
  - Long term debt – (8000) No principal for bonded extraordinary maintenance or debt as part of capital assessment to RSD
    Report expenditures in accordance with Guidance for Reporting School Construction
  - Tuition (9000)
    - ESE included School choice and charter schools costs on lines 2220 and 2230
Schedule 1, Part II - Expenditures

C.2 Expenditures from Federal Grants, State Grants and Special Funds

Include by function:

- All Federal Grant Expenditures – from ESE or direct
  +Column added to record Federal SFSF Grant Funds
- All State Grant Expenditures – from ESE or other state agencies
- All Revolving and Special Funds
  - All Expenditures from Circuit Breaker Funds
  - All Expenditures from School Choice – must not be included in school committee expenditures
- All Private Grants & Gifts
Schedule 2 - Regional School Assessments

• Categories of reporting:
  – Minimum
  – Above minimum*
  – Transportation*
  – Capital costs*
    • *Apportioned according to regional agreement

• Do not report E/D on this schedule
• Be sure to check if you used the statutory or agreement method to assess costs in FY13
• Reconciliation item: check figure to right and bottom of column 6 and resolve any differences with schedule 1, line 10, column 7
Schedule 4 - Special Education

All expenditures by school committee, city/town, and circuit breaker by function and program.

- **Include these functions:**
  - Instructional services: (2000)
    - Supervisory
    - School Building Leadership
    - Teaching
    - Textbooks including instructional equipment
    - Guidance
    - Psychological
  - Tuition (9000)
  - Non public health (6800)

- **Grants and other funds** – report on line 3930 *by program*
Reconciliation item: review figures, if any, in last column on right of schedule 4 and resolve any differences with Schedule 1, Column 2, Special Education
Schedule 7 - Pupil Transportation

- Report expenditures from appropriated funds and the associated number of riders for those pupils transported at public expense
  - Include municipal and school committee costs
  - Report by program
    - Special Ed. *Delineate in and out of district costs & riders*
    - Vocational Ed. *Include out of district transportation costs & riders*
  - Report by reimbursable and non-reimbursable categories
  - Report in accordance with 10.08 and 10.09 of the School Finance Regulations
  - Report in accordance with section VIII of the Guidelines
Schedule 7 - Pupil Transportation -
(Continued)

- Transportation expenditures reported in columns 1 through 5 must have corresponding pupil rider data reported in columns 6 through 9
- Expenditures and student counts for school choice and charter school students regardless of mileage must be reported in column 3 and 8 respectively
- **Report homeless transportation expenditures on lines 4283 and 4285**
- Maintain Depreciation Schedule, if applicable

- **Note:** IN-DISTRICT & OUT OF DISTRICT Costs and Riders for special education are reported differently from all other programs.
  - Special Education report by columns
  - All other programs report on separate lines.
NOTES:

– Expenditures from fees deposited into revolving accounts must be reported on line 4320.
– Reimbursable expenditures are based on “portal to portal” measurement.
– Reimbursable expenditures are based on expenditures for transporting students living at least 1 ½ miles from school once daily to and from school.

• **Reconciliation item**: resolve any differences with Schedule 1, 3300 and 6900 categories for both school committee and city/town expenditures
Schedule 7 Addendum

Separate Certification - Regional School Districts only

- Pupil transportation 75% capacity certification in accordance with MGL, chapter 71, section 7A
- Necessary in order to receive state transportation reimbursement

Questions to Jay Sullivan @ (781) 338-6594
Schedule 19 - FY 2014 Budget

• Purpose:
  – Determine school district’s compliance with FY 2014 net school spending requirement
  – Information and statistical reporting
  – Cherry sheet estimates for school transportation
  – Charter school rates
Schedule 19 - FY 2014 Budget (Continued)

• A.1 Appropriation by school committee

• 2013-2014 School Budget
  – Report by expenditure classification and programs
  + Include Adult Education in Community Services (6000)
  – School choice/charter school tuition is estimated from cherry sheet but cells are not locked – districts can change the amounts if they have better info
  – ESE uses most current choice/charter tuition in calculating FY14 net school spending, regardless of what is reported on those lines by district
  – FY 2014 long term debt, regions only
Schedule 19 - FY 2014 Budget (Continued)

A.2 Appropriation by city/town

• 2013-2014 school budget
  – Report only expenditures allowed under school finance regulation, section 10.04
  – Must be for services directly related to local school department and through agreement with school department
  – Administrative Average Cost for FY14 is $105.65
  – FY 2014 Long Term Debt
Schedule 19 - FY 2014 Budget
(Continued)

• B. Estimated revenues -
  – Local sources
    • Include Assessments and E&D funds for regional districts
  – General fund receipts
  – Revenues that are not used to offset net school spending are highlighted in report
  – Purpose - education reform compliance

DO NOT INCLUDE SCHOOL CHOICE RECEIPTS, GRANTS OR ANY OTHER REVOLVING/SPECIAL FUNDS
C. Estimated regional assessment
   - Minimum
   - Above minimum *
   - Transportation *
   - Capital and debt *
   - Assessment voted
   - Budgeted E/D

Be sure to check if you used the statutory or agreement method to assess costs in FY’14

* Apportioned according to regional agreement
COMMENTS, REPORTS

• Comments Tab: include comments, explanations, problems
• Reports Tab
  – Net School Spending Compliance FY13, FY14
  – Three year Comparative Data
  – Average Teacher Salary
FY 2013 Net School Spending

- School committee expenditures from schedule 1
- City/town costs

FY 2013 budget reported in 2011-2012 end of year report:
  - Administration 1000
  - Educational media 2500
  - Health 3200
  - Maintenance 4000
  - Rental 5300

FY 2013 actual costs reported on schedule 1 of 2012-2013 end of year report:
  - Benefits 5100
  - Insurance 5200
  - Short term debt (RANS) 5400
  - Tuition 9000

Note:
SFSF Grants are not included
Comparison of FY 11 thru FY 13 Reported Data

• Prior to submission of report, review reports sheet comparisons of various data, costs and transported riders for the last three fiscal years.

• Can help you detect any anomalies from one year to next.
Edits

- Hit “run edits” macro on “edits” sheet
- New edit: MSBA one-time payments on schedule 1 should mean expenditures in purchase of land and buildings
- Explain any unresolved edits in the comments sheet.
Edits (continued)

• Edit 1 – transportation fees and expenditures sch1 vs sch7
• Edit 2 – correspondence of riders and transportation expenditures
• Edit 3 – regional district member but no assessment reported
• Edit 4 – correspondence of revenues and expenditures from grants and other funds
Edits (continued)

- Edit 5 – schedule 1 vs schedule 4 expenditures
- Edit 6 – schedule 19 instructional spending by program
- Edit 7 – sch 1 vs sch7 transportation expenditures
- Edit 8 – sch 4 grant expenditures
- Edit 9 – MSBA one-time payments/purchase of land and buildings

- Be aware: There is not an edit for every conceivable situation
EOY Report Printing

• The EOY report can be printed in Excel using the macros: hit “control p”
  – Full Report
  – Individual Schedules
  – Individual Schools
Amendments

- Amendments are processed through the security portal – bottom of first screen
- See instructions in FY13 End of Year Report website (Accounting and Auditing).
- FY12 amendment form is currently available
- FY13 amendment form will be available in early September
- 224 districts amended 3,466 cells on last year’s reports
- In some cases, especially with large numbers of changes, submitting a new workbook is acceptable
Amendments (continued)

- DO NOT use Firefox or Mozilla as your browser
- Amended copies of all districts’ final FY12 reports through July 3 2013 have been posted to drop box first week in July
- During the year, amended copies can be posted to the drop box upon request
Audit Requirement

• FY 2013 EOY Report will be audited by Independent Public Accountants (CPAs) when they conduct the A-133 Single Audit for your City, Town or Regional School District.
ESE CONTACTS

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