Welcome!

FY14 End of Year Financial Report Workshop
State Budget News

• Chapter 70 up $99.48m (2.3%) to $4.4b

• Circuit breaker up $5m (2%) to $257.5m

• Charter reimbursement funded at $80m ($115.5 needed – 69%)

• Regional transportation up $18.7m (36%) to $70.2m

• Non-resident transportation down from $3m to $2.24

• Homeless transp. Level funded at $11.3m

• Foundation reserve up from $2m to $2.4m
Section 260: Net School Spending and Retired Teachers Health Insurance

- 127 districts not allowed to count RTHI as NSS
- Allows Commissioner to waive NSS penalties if caused by RTHI not counting
- Affected districts must demonstrate plan to reach requirement over time
- Beginning in FY16, four-year phase-in will allow all districts to vote to count RTHI toward NSS - Level IV and V may be excepted
Number of Districts That Failed To Meet Net School Spending Requirement

<table>
<thead>
<tr>
<th></th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19</td>
<td>9</td>
<td>13</td>
<td>11</td>
<td>14</td>
<td>24</td>
<td>21</td>
<td>28</td>
<td>30</td>
<td>24</td>
</tr>
</tbody>
</table>
Foundation Budget Review Commission

- Section 124 amends C70 from biennial to “periodic” commission
- Co-chaired by House and Senate chairs of Education Committee
- Review of foundation budget
- Consider models of efficient and effective resource allocation
- No fewer than four public hearings around Commonwealth
- Report due June 2015
Local Aid Payments To Be Monthly

- Began in July 2013
- Chapter 70, charter tuition and reimbursements, school choice tuition
- Payments and assessments on last day of each month
- School choice monthly summary at http://www.doe.mass.edu/finance/schoolchoice/choice14.html
- State treasurer monthly summary of all aid and assessments: http://www.mass.gov/treasury/cash-management/local-aid-payments/
End of Year Report FY14

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
- EOVFR Contact Information
- Transportation certification
- Leasing Schedule
- Depreciation Schedule

last updated: July 3, 2013
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
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
- Amendment Smartform instructions
- Edwin Finance Powerpoint slides
- Workshop Evaluation
EOY Report Workbook Submission

Due by **September 30, 2014**

- 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*
- FY14 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 Dos 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

- Employee Separation Costs (5150)
  - New lines in Schedule 1 II A: 1664 to 1669
  - New lines in Schedule 1 II B: 2003 to 2007
  - New line in Schedule 1 C2: 2992
  - New line in eoy summary table: 8572

- Row numbers beyond 401 to bottom of eoy14 sheet will differ from last year

- SFSF and Education Jobs
  - Schedule 1C Line 289 – removed
  - Schedule 1 C2 Column 1 left blank
  - Schedule 3 column 8 left blank
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.)
Schedule 1, Part I - 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.*
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

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 FY14.
- **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- and 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.
Schedule 7 - Pupil Transportation (Continued)

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 at (781) 338-6594
Schedule 19 - FY2015 Budget

• Purpose:
  • Determine school district’s compliance with FY2015 net school spending requirement
  • Information and statistical reporting
  • Cherry sheet estimates for school transportation
  • Charter school rates
Schedule 19 - FY2015 Budget (Continued)

A.1 Appropriation by School Committee

- 2014-2015 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 FY15 net school spending, regardless of what is reported on those lines by district
  - FY 2015 long term debt, regions only
Schedule 19 - FY2015 Budget (Continued)

A.2 Appropriation by city/town

- 2014-2015 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 FY15 is $107.95
  - FY 2015 Long Term Debt
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
Schedule 19 - FY2015 Budget (Continued)

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 FY15

* Apportioned according to regional agreement
Comments & Reports

- Comments Tab
  - Include comments, explanations, problems

- Reports Tab
  - Net School Spending Compliance FY14, FY15
  - Three-year comparative data
  - Average Teacher Salary
FY 2014 Net School Spending

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

**FY2014 budget** reported in **2012-2013** End of Year Report:
- Administration 1000
- Educational media 2500
- Health 3200
- Maintenance 4000
- Rental 5300

**FY2014 actual costs** reported on schedule 1 of **2013-2014** End of Year Report:
- Benefits 5100
- Insurance 5200
- Short term debt (RANS) 5400
- Tuition 9000
Comparison of FY12 thru FY14 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
- 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
• 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 macro Ctrl+P
  - Full Report
  - Individual Schedules
  - Individual Schools
Amendments

- Amendments are processed through the security portal – bottom of first screen

- See instructions in FY14 End of Year Report web site (Accounting and Auditing).

- FY13 amendment form is currently available

- FY14 amendment form will be available in early September
Amendments (Continued)

- DO NOT use Firefox or Mozilla as your browser

- 233 districts amended 3,237 cells on the FY13 eoy report

- In some cases, especially with large numbers of changes, submitting a new workbook is acceptable.

Amended copies of all districts’ final FY13 reports through July 1, 2014 have been posted to the security portal drop box. During the year, amended copies can be posted to the drop box upon request.
Audit Requirement

- FY 2014 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

Jay Sullivan
  • 781-338-6594, Jsullivan@doe.mass.edu

Roger Hatch
  • 781-338-6527, Rhatch@doe.mass.edu

Christine Lynch
  • 781-338-6520, Clynch@doe.mass.edu

Hadley Cabral
  • 781-338-6586, Hcabral@doe.mass.edu

Elena DeMelin
  • 781-338-6591, Edemelin@doe.mass.edu

Melissa King
  • 781-338-6532, Mking@doe.mass.edu