

Masconomet Memo

To: School Committee
Kevin Lyons, Superintendent

From: Susan K. Givens, Assistant Superintendent for Finance and Operations 

Date: December 14, 2018

Re: FY19 Oct 31st Financial Report

Attached is the FY19 financial report ending October 31, 2018. Footnotes appear at the end of the report on page 5.

- **Transfers/Appropriations** - All of the transactions approved through October 31st have been recorded, footnoted, and are reflected in this report. There were four (4) appropriations funded from E&D that affected the FY19 budget; 1) ten (10) assistant coaches for athletics, 2) transportation consulting services, 3) email archiving services, and 4) professional development. In addition, there were four (4) appropriations fund from the stabilization fund for capital projects and repairs; 1) FY18 Capital Budget supplement, 2) FY19 Capital Budget, 3) House A & C renovations, and 4) WWTP supplement to cover emergency repairs. These projects appear in the Capital Project section of the report on page 2.
- **Revenue** - The final budget approved by the state in July included additional state aid in several areas totaling \$137,533 (charter and choice school reimbursement, Chapter 70, and transportation reimbursement). We are also anticipating more money from interest income this year due to more favorable interest rates and modifications to banking services implemented last fall (\$54,352). These local receipts are offset by a slight decrease in revenue anticipated in fees collected (enrollment driven) and miscellaneous receipts (-\$17,500). Last, expected reimbursements from federal sources is expected to be higher than originally anticipated because Medicare reimbursements are expected to be \$50,000 and E-Rate reimburse for our WiFi project will be \$24,000. Therefore, the projected revenue for federal reimbursements is expected to be \$50,000 higher. Based on the above noted factors, there is a positive FY19 revenue variance of \$224,435. At this point in the year, it is likely that we will realize at least \$175,000 of this money.

- **Salaries** - All positions are filled at this time and the salary forecast reflects all staff changes, leaves of absence, retirements, contract settlements, and breakage associated with positions that went unfilled for a portion of the year. The net salary variance for the operating budget is \$359,558 (positive). Though this variance will fluctuate, it is safe to assume that the year will close with positive variance of approximately \$300,000 in the salary accounts.
- **Operating/non-salary** - There are several noteworthy highlights in the non-salary lines. First, the cherry sheet assessments published by the state in July reported a much lower assessment for School Choice, Charter, and Other Tuitions than the House 1 number we used when developing the budget by \$27,732. This savings, if realized, will offset the cost of the superintendent search (\$18,000 est.). In addition, \$20,000 allocated for curriculum development projects will likely be unspent. These two changes contribute to available balance in the Other Instructional Services non-salary line and are likely to remain at year-end. Second, the Student Services Tuition, Transportation, and other operating expense account is showing a \$197,160 deficit. This deficit is the result of three (3) unilateral placements, six (6) unplanned placements for students with social/emotional needs, one (1) student that refused a diploma and is now in an OOD placement, and one (1) additional OOD placement that moved up from the elementary schools. Special education placements are the most unpredictable expenses to anticipate because student needs change frequently. Though this number will fluctuate throughout the year, it is highly unlikely that this deficit will be eliminated by the end of the year. Last, the remaining balances in the non-salary accounts for supplies, materials, repairs, and utilities, are expected to be spent by the close of the fiscal year.
- **Outlook** -At least \$175,000 of the revenue variance and \$300,000 of the salary variance will remain by year-end. The non-salary unencumbered balance will likely net out to zero by the end of the year. If this scenario holds true, E&D will increase by at least \$475,000 at the close of the fiscal year.

**Masconomet Regional School District
Financial Report
For the period ending October 31, 2018**

GENERAL FUND RECEIPTS:	Original Budget	Adjusted Budget	YTD Received	Add'l Rev Anticipated	Revenue Variance	% Change
State Aid:						
1 Chapter 70	\$5,127,759		\$1,703,319	\$3,442,980	\$18,540	0%
1 Transportation Reimbursement	\$569,053		-	\$651,735	\$82,682	15%
1 Other State Aid	-		\$9,091	\$27,270	\$36,361	#DIV/0!
School Construction Aid	\$1,291,498		\$1,291,498	\$0	\$0	0%
Local Receipts:						
Community Contributions - Debt	\$1,082,567		\$187,031	\$895,536	\$0	0%
Community Contributions - O&M	\$26,908,660		\$6,727,165	\$20,181,495	\$0	0%
1a. Interest	\$20,000		\$18,352	\$56,000	\$54,352.44	272%
Fees Collected	\$43,000		\$21,493	\$14,507	(\$7,000)	-16%
Misc. Receipts	\$20,000		\$1,071	\$8,429	(\$10,500)	-53%
District Appropriations:						
2 Appropriation from E&D	71,591		-	71,591	\$0	0%
Fund Transfers	\$645,278		-	645,278	\$0	0%
Federal Aid:						
3 Reimbursements	\$24,000		10,152	63,848	\$50,000	0%

TOTAL RECEIPTS	\$35,803,406	\$0	\$9,969,173	\$26,058,669	\$224,435	1%
-----------------------	---------------------	------------	--------------------	---------------------	------------------	-----------

GENERAL FUND EXPENSES:	Original Budget	Adjusted Budget	YTD Expenditures	Encumbrances	Available Funds	% Available
Middle School						
4 Salaries	\$6,331,622		\$1,474,888	\$4,970,125	(\$113,391)	-2%
Instructional Materials	\$166,160		\$61,507	\$27,251	\$77,402	47%
Totals	\$6,497,782	\$0	\$1,536,396	\$4,997,375	(\$35,989)	-1%
High School						
4,5 Salaries	\$11,465,588		\$2,586,153	\$8,585,595	\$293,840	3%
Instructional Materials	\$797,024		\$273,198	\$399,981	\$123,845	16%
Totals	\$12,262,612	\$0	\$2,859,351	\$8,985,575	\$417,685	3%
Other Instructional Services						
6 Salaries	\$355,089		\$86,031	\$275,065	(\$6,007)	-2%
Staff Dev. & Curr. Oper.	\$383,269		\$110,877	\$169,867	\$102,525	27%
Totals	\$738,358	\$0	\$196,908	\$444,933	\$96,518	13%
Student Services						
7 Salaries	\$1,201,931		\$302,989	\$874,629	\$24,313	2%
8 Tuition Out, Trans, & Other	\$2,370,838		\$323,659	\$2,244,339	(\$197,160)	-8%
Totals	\$3,572,769	\$0	\$626,648	\$3,118,969	(\$172,847)	-5%
General Administration						
6 Salaries	\$286,846		\$101,095	\$187,766	(\$2,015)	-1%
Superintendent & SC Operations	\$58,428		\$13,026	\$32,143	\$13,259	23%
Totals	\$345,274	\$0	\$114,121	\$219,909	\$11,244	3%
Business & Other Support Services						
9 Salaries	\$1,156,377		\$316,786	\$677,495	\$162,096	14%
Operations	\$6,949,848		\$2,602,763	\$4,173,482	\$173,602	2%
Totals	\$8,106,225	\$0	\$2,919,549	\$4,850,978	\$335,698	4%
Campus Maintenance and Security						
Salaries	\$483,230		\$165,423	\$317,085	\$722	0%
Utilities	\$576,556		\$144,318	\$425,733	\$6,505	1%
O&M	\$846,535		\$281,080	\$447,829	\$117,626	14%
Totals	\$1,906,321	\$0	\$590,821	\$1,190,647	\$124,853	7%
Debt Service						
Principal	\$2,000,000		-	2,000,000	\$0	0%
Interest	\$374,065		\$187,033	\$187,033	\$0	0%
Totals	\$2,374,065	\$0	\$187,033	\$2,187,033	\$0	0%
TOTAL General Fund Expenses	\$35,803,406	\$0	\$9,030,826	\$25,995,418	\$777,162	2%

**Masconomet Regional School District
Financial Report
For the period ending October 31, 2018**

CAPITAL PROJECT FUNDS	Original Budget	Adjusted Budget	YTD	Encum- brances	Available Funds	% Available
Irrigation						
Appropriation	\$140,000	\$162,759	\$162,759	-	\$0	0%
Engineers/Architects	\$24,000	\$46,759	\$35,154	-	\$11,605	25%
Construction, Repair, Materials	\$114,085	\$116,000	\$108,659	51	\$7,290	6%
Totals	\$138,085	\$162,759	\$143,813	\$51	\$18,895	12%
WWTP						
Appropriation	\$25,000	\$305,000	\$305,000	-	\$0	0%
Engineers/Architects	\$25,000	\$55,000	\$50,822	-	\$4,178	8%
Construction, Repair, Materials	-	\$250,000	\$148,006	19,470	\$82,524	33%
Totals	\$25,000	\$305,000	\$198,828	\$19,470	\$86,702	28%
Learning Management, Student Information System Project						
Appropriation	\$100,000	\$123,000	\$123,000	-	\$0	0%
Salary	-	\$13,000	\$6,513	-	\$6,487	50%
Software (set-up and training)	\$100,000	\$110,000	\$109,793	-	\$207	0%
Totals	\$100,000	\$123,000	\$116,306	\$0	\$6,694	5%
Technology Infrastructure						
Appropriation	\$170,000	\$245,000	\$245,000	-	\$0	0%
Salary	-	\$18,000	\$4,281	-	\$13,719	76%
Consultants	\$22,000	\$32,000	\$31,788	-	\$212	1%
Other Published Materials	-	\$12,500	\$12,500	-	\$0	0%
Durable Goods	\$148,000	\$182,500	\$164,181	-	\$18,319	10%
Totals	\$170,000	\$245,000	\$212,750	\$0	\$32,250	13%
FY18 Capital Budget (Safety and Security)						
Capital Assessment	\$506,000	\$506,000	\$506,000	-	\$0	0%
Appropriation	\$150,000	\$170,000	\$170,000	-	\$0	0%
Total Revenue	\$656,000	\$676,000	\$676,000	\$0	\$0	0%
Repair to Buildings	\$30,000	\$50,000	104,962	-	(\$54,962)	-110%
Electrical	\$57,500	\$57,500	\$74,854	-	(\$17,354)	-30%
Telecommunication	\$500,000	\$500,000	\$183,723	225,461	\$90,816	18%
Security	\$35,000	\$35,000	\$33,283	-	\$1,717	5%
Fire Protection	\$33,500	\$33,500	\$1,332	-	\$32,168	96%
Total Expense	\$656,000	\$676,000	\$398,154	\$225,461	\$52,385	8%
House A & C						
Appropriation	\$14,840	-	\$14,840	-	\$0	0%
Repair of Buildings	\$2,300	-	2,263	-	\$37	2%
Electrical	\$3,000	-	4,893	-	(\$1,893)	
Durable (Furniture)	\$9,540	-	7,684	-	\$1,856	19%
Totals	\$14,840	\$0	\$14,840	\$0	\$0	0%
FY19 Capital Budget (Preservation and Safety)						
Athletic Fund Transfer	\$35,000	-	\$35,000	-	\$0	0%
Appropriation	\$195,000	-	\$195,000	-	\$0	0%
Total Revenue	\$230,000	\$0	\$230,000	\$0	\$0	0%
Repair to Buildings (Roof)	\$140,000	\$360,000	53,298	7,643	\$299,059	83%
Electrical	\$40,000	\$40,000	27,626	9,699	\$2,675	7%
Landscape/Grounds (Tennis Court)	\$35,000	\$35,000	31,950	-	\$3,050	9%
Durable Goods (AED)	\$15,000	\$15,000	7,550	-	\$7,450	50%
Total Expense	\$230,000	\$450,000	\$120,424	\$17,342	\$312,234	69%
TOTAL Capital Projects Expenses	\$1,103,925	\$1,511,759	\$1,084,691	\$244,982	\$196,926	

**Masconomet Regional School District
Financial Report
For the period ending October 31, 2018**

REVOLVING FUNDS	Original Budget	Adjusted Budget	YTD	Encum- brances	Available Funds	% Available
School Lunch						
Revenue	\$843,000	-	207,396	\$635,604	\$0	0%
Salaries	\$415,000	-	48,312	366,688	\$0	0%
Fund Transfer	\$59,000	-	-	59,000	\$0	0%
Operating	401,000	-	62,761	338,239	\$0	0%
Totals	\$875,000	\$0	\$111,073	\$763,927	\$0	0%
School Store						
Revenue	\$22,500	-	9,503	\$12,997	\$0	0%
Operating	\$22,500	-	5,180	6,783	\$10,537	47%
Totals	\$22,500	\$0	\$5,180	\$6,783	\$10,537	47%
Use of Facilities						
Revenue	\$50,000	-	20,253	\$29,747	\$0	0%
Salaries	\$27,500	-	2,250	25,250	\$0	0%
Fund Transfer	-	-	-	-	\$0	#DIV/0!
Totals	\$27,500	\$0	\$2,250	\$25,250	\$0	0%
Summer School						
Revenue	\$14,475	-	15,510	-	\$1,035	7%
Salaries	\$14,300	-	16,120	-	(\$1,820)	-13%
Supplies & Services	-	-	128	-	(\$128)	#DIV/0!
Totals	\$14,300	\$0	\$128	\$0	(\$1,948)	-14%
10	Circuit Breaker					
Revenue	\$831,366	903,309	225,827	677,482	\$0	0%
Tuition	\$831,366	922,121	729,839	192,282	\$0	0%
Totals	\$831,366	\$922,121	\$729,839	\$192,282	\$0	0%
Non Resident Tuition - Special Education						
11	Revenue	64,000	-	-	64,000	\$0
Operating	95,000	-	47,900	-	\$47,100	
Totals	\$95,000	\$0	\$47,900	\$0	\$47,100	
Non Resident Tuition - International Students						
Revenue	-	-	-	-	\$0	
Fund Transfer	\$20,278	-	-	\$20,278	\$0	0%
Totals	\$20,278	\$0	\$0	\$20,278	\$0	0%
College Prep Program						
Revenue	\$50,375	-	-	\$50,375	\$0	0%
Salaries	\$2,700	-	-	-	\$2,700	100%
Operating	\$47,130	-	176	792	\$46,162	98%
Totals	\$49,830	\$0	\$176	\$792	\$48,862	98%

**Masconomet Regional School District
Financial Report
For the period ending October 31, 2018**

REVOLVING FUNDS - continued	Original Budget	Adjusted Budget	YTD	Encum- brances	Available Funds	% Available
Athletic and Co-curricular						
Revenue	\$566,490	-	238,553	\$327,937	\$0	0%
Operating	\$0	-	-	\$0	\$0	#DIV/0!
Fund Transfer	\$566,000	-	-	\$566,000	\$0	0%
Totals	\$566,000	-	\$0	\$566,000	\$0	0%
TOTAL REVOLVING	\$2,363,996	\$922,121	\$843,467	\$1,548,249	\$46,914	5%

GRANTS

Special Education Entitlement (240)

Revenue	\$421,626	-	\$42,162	\$379,464	-	0%
Transportation	421,626	-	84,145	301,786	35,695	8%
Totals	421,626	\$0	\$84,145	\$301,786	\$35,695	8%

Title I (Part A) Improving the Academic Achievement of the Disadvantaged

Revenue	\$40,183	-	4,018	\$36,165	-	0%
Salaries	40,183	-	12,043	\$28,140	-	0%
Totals	\$40,183	\$0	\$12,043	\$28,140	\$0	0%

Title II (Part A) Improving Educator Quality

Revenue	\$25,799	-	2,579	(\$2,579)	(\$25,799)	-100%
Salaries	4,000	-	1,140	-	2,860	72%
Operating	21,799	-	12,172	-	9,627	0%
Totals	\$25,799	\$0	\$13,312	\$0	\$12,487	48%

TOTAL GRANTS	487,608	0	109,499	329,927	48,182	10%
---------------------	----------------	----------	----------------	----------------	---------------	------------

Total System-Wide	\$39,758,935	\$2,433,880	\$11,068,483	\$28,118,575	\$1,069,185	3%
--------------------------	---------------------	--------------------	---------------------	---------------------	--------------------	-----------

Masconomet Regional School District
Financial Report
For the period ending October 31, 2018

FOOTNOTES:

- 1 The final budget approved by the state included charter and choice school reimbursement aid as well as additional Chapter 70 and transportation reimbursement.
- 1a. Additional interest income is expected this year because of favorable interest rates and modifications made to our banking services that were implemented last fall.
- 2 On June 23th, the School Committee appropriated \$71,591 from E&D to fund the following: 1) transportation consulting services related to school start time changes (\$6,242), 2) professional development (\$16,329), 3) email archiving services (\$6,200), and 10 additional assistant coaches for the athletic department (\$42,820).
- 3 Medicare reimbursements have been trending at \$50,000 for the past two years. Also, we will receive \$24,000 in Erate reimbursement for the WiFi upgrade performed this summer/fall.
- 4 Two paraprofessionals were transferred from the High School to assist two students with IEP's who were struggling and there are several staff members on paid medical leaves who require long-term substitutes.
- 5 There were several unanticipated retirements, unpaid leaves of absence, and resignations that occurred after the budget was adopted. Positions vacated by veteran staff were replaced with less experienced staff resulting in significant savings in the High School's salary line.
- 6 The variance is related to non-represented employee salary increases for FY19.
- 7 The new Health Services Director and Medical Secretary positions were not filled by July 1; therefore, only a portion of the wages will be expended this year.
- 8 There have been a number of changes in out-of-district placements since the budget was adopted. There were 3 unilateral placements, 6 unplanned placements for students with social/emotional needs, 1 student refused a diploma and is now in an OOD placement, and 1 additional OOD placement from the elementary schools.
- 9 Funds for extra sections are not needed this year and contract settlements for the Administrator bargaining group and non represented staff have been settled. Settlements appear on the salary lines where employees are assigned.
- 10 We have recently been informed that we will be receiving \$903,309 in Circuit Breaker funds this year. These funds will be used to offset out-of-district special education tuitions next year. Also, we received additional reimbursement for FY18 claims. This has been applied to further offset FY19 expenses.
- 11 We have two tuition paying students attending school from other communities (Ipswich and North Andover) this year.

**Masconomet Regional School District
Undesignated Fund Balance Analysis
June 2018**

FY17 - Audited	DEBIT	CREDIT	Comments
Undesignated Fund Balance Beginning of Fiscal Year 7/1/16 Designated Portion included in Undesig Fund Bal-FY16	1,000	1,320,152	Per General Ledger
Unused E & D Appropriation for FY 17 Unused E & D Appropriation for FY 17		75,600 2,867	Math Curriculum Transition (D. Tenanty) - March 2016 WeVideo - June 2016
Transfer to Other Funds	350,000		Stabilization Fund (June 2017)
Closed Capital Project Fund		783	Tech Pilot Program
Close Current Year Revenues			
Member Town Assessments		26,472,353	O&M and Debt Service
State Aid		6,957,879	SBA, Chapter 70, Transportation, Other State Aid
Investment Income		12,845	Interest Income
Departmental Revenue		98,828	Fees Collected, Misc. Receipts, Fed Reimbursements
Transfers into General Fund		645,420	Athletic and Co-Curricular Revolving Fund
Transfers into General Fund		59,000	Food Service Revolving Fund
Final Year End General Fund Expenditures	33,695,757		
E & D Appropriation for FY 18	25,000		Start Time Change (June 2017)
E & D Appropriation for FY 18	5,000		AED Testing & Maint (June 2017)
Total Undesignated Fund Balance End of Fiscal Year 6/30/17		1,568,969	Per General Ledger - Certified

FY18 - Year-to-Date	DEBIT	CREDIT	Comments
Undesignated Fund Balance Beginning of Fiscal Year 7/1/17		1,568,969	Per General Ledger - Certified
FY18 Activity			
Transfer to OPEB	50,000		June 20, 2018
Transfer to Stabilization	700,000		June 20, 2018
E&D Appropriation for FY19	6,242		June 20, 2018 - Transportation Consultant
E&D Appropriation for FY19	16,329		June 20, 2018 - Professional Development
E&D Appropriation for FY19	6,200		June 20, 2018 - Email Archive
E&D Appropriation for FY19	42,820		June 20, 2018 - 10 Assistant Coaches
Rev - Est.		83,756	
Expense - Estim		607,241	
Total Undesignated Fund Balance 1/11/18		\$1,438,376	

FY18 - Year-to-Date		DEBIT	CREDIT	Comments
Stabilization Fund Balance Beginning of Fiscal Year 7/1/17				
Interest Income (through June 30)			\$ 717,875	Per General Ledger
Transfers to Capital Projects			14,739	
HVAC & Generator switch	76,000			July 19, 2017
Entrance Doors (supplemental appropriation)	16,400			January 22, 2018
FY18 Capital Budget (supplemental appropriation)	20,000			May 16, 2018 - Interior Signage Supplement
FY19 Capital Budget	195,000			May 16, 2018 - Roof, AED's, Electrical Repairs
House A & C Redesign	14,840			May 16, 2018
Transfer in from Closed Capital Projects				
HVAC & Generator Switch		12,351		May 22, 2018
Field House Painting		5,600		May 22, 2018
Art and PPS Renovations		1,333		May 22, 2018
Transfer in from E&D			700,000	June 20, 2018
Stabilization Fund Balance as of 6/30/18			\$ 1,129,658	Unaudited

FY19 - Through October 31, 2018		DEBIT	CREDIT	Comments
Stabilization Fund Balance Beginning of Fiscal Year 7/1/18				
Interest Income			\$ 1,129,658	Per General Ledger
Transfers to Capital Projects			-	
Roof - Supplemental	220,000			October 19, 2018
WWTP - Supplemental	100,000			October 9, 2018
Transfer in from Closed Capital Projects			-	
Transfer in from E&D			-	
Stabilization Fund Balance (estimate)			\$ 809,658	