

WAYLAND • PUBLIC • SCHOOLS

WAYLAND, MASSACHUSETTS

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To: Wayland Public Schools School Committee
CC: Paul Stein, Superintendent of Schools
From: Susan Bottan, School Business Administrator
Date: January 20, 2015
RE: FY 2015 Quarter 2 Financial Report – July 1, 2014 through December 31, 2014

Please to follow the FY 2015 Quarter 2 Financial Report and attached financial schedules for the Wayland Public Schools for the period of July 1, 2014 through December 31, 2014. Highlights of this period are noted in the narrative summary that follows beginning first with an overview of the supporting documents. Please note this report isolates the financial data for the current year only versus integrating carry-over encumbrances from the prior year. The status of FY 2014 encumbrances carried over is reported separately in the attached documents. If you should have any questions about any of the information provided, please contact me.

Enclosed Information

The schedules enclosed are named below:

Schedule 1 - FY 2015 Quarter 1 Report by State Function – the following financial information for each of the six major budget category (District Leadership and Administration, Instruction Services, Other School Services, Operations and Maintenance of Plant, Fixed Charges, and Programs with other School Districts) is reflected on each of the attached FY 2015 schedules:

- Appropriation
- Budget Transfers
- Revised Budget
- Expended
- Encumbrances
- Year to Date % Expended/Encumbered
- Projected Expense Remaining
- Projected Favorable/Unfavorable End Year Balance
- Explanation of Projected Favorable/(Unfavorable) Balance

Schedule 2 – Quarter 2 Report by State Function: Personnel Expenses

Schedule 3 - Quarter 2 Report by State Function: Non-personnel Expenses

Schedule 4 – Quarter 2 Report by Site

Schedule 5 – Quarter 2 Report for Revolving Accounts

Schedule 6 – Quarter 2 Report for Grants

Quarter 2 Report by State Function – Status of FY 14 Carry-over Encumbrances

Quarter 2 Highlights

The FY 2015 appropriation for the Wayland Public Schools is \$35,433,047. We expect to meet all FY 2015 contractual obligations within the amount of funds appropriated.

As of December 31, 2014, the district expended 48% of its appropriation and the *projected* year-end balance totaled \$235,069. Of this projected balance, \$200,000 is earmarked for SPED tuition pre-pays at year end.

The total projected favorable balance is predominately made up of salary savings resulting from staff exchanges. Of the net total amount generated from staff exchanges, leaves of absence and resignations/retirements comprised the majority of the differential between budgeted and actual salaries. Whereas leaves of absence represent a one year savings in salaries, the substitute teaching account will reflect the additional expenses for long term substitute teachers.

Non-personnel expenditures that can be reasonably projected through year-end have had funds encumbered. For example, the utilities encumbrances reflect the amount the district is expected to spend by year-end based on utilization rates similar to last year and at the new contracted unit costs. The amount of encumbrance could change during the year based on factors that would impact usage, such as temperature and results from implementation of energy conservation measures. At this time, a negative balance is projected due to the increased electricity and natural gas commodity costs however with the building improvements being implemented this fall by Amerisco, such as replacement of interior and exterior lighting and alternate energy efficient motors and pumps, we expect to realize a reduction in utilization this year which may reduce the deficit projected. Savings in water and septic accounts will reduce the total utilities deficit.

General education transportation expenses increased by nearly 16% over the prior year due to a new contract awarded in June of 2014 for the current fiscal year through FY 2017. Expenses related to outside special education placements and services have also been encumbered through the balance of the year. As changes in students' needs are identified, the balance in this account will also change. The shortfall in out of district tuition fees will be paid by the district's Circuit Breaker reimbursement. The total amount of Circuit Breaker reimbursement for FY 15 is \$592,240 which will be received in quarterly increments. Upon receipt, expenses will be transferred from the operating budget to the Circuit Breaker account. The projected balance reflects unanticipated changes in students' needs.

Also reflected in the FY 2015 Quarter 2 report projections are the Full Day Kindergarten indirect expense offsets totaling \$36,951 based on the ratio of FDK classrooms to total classrooms to cover the indirect costs associated with administration, guidance, utilities, custodial services and supplies. In addition, the obligation to pay prior fiscal year late bills totaling \$39,871.24 is reflected in the FY 2015 projected expenses through year end. Late bills are made up of the following:

Vendor	Amount	Invoice Number	Invoice Date	Purpose	Note
Direct Energy	\$11,197.30	141820021476365	July 1, 2014	Electricity	Unsuufficient balance on FY 2014 encumbrance at year end
Direct Energy	\$25,412.54	143350022789190	June 14, 2012	Electricity	Vendor applied credit twice in error
J.S.C. Transportation	\$ 3,261.40	1802	August 31, 2012	SPED Transportation	Unissued invoice from FY 2012 discovered through vendor's internal audit
Total	\$39,871.24				

A number of factors could further influence the end year projected balance including but not limited to legislative changes to the delivery cost of energy which will drive up utilities projections, maternity leaves which will increase the need for substitutes and snowfall which could impact custodial overtime costs.

A summary of the second quarter status of the six major budget categories is illustrated in the table on the page to follow with more detail by state function code provided attached Schedules 1, 2 and 3:

Wayland Public Schools - Summary by Category							
FY 2015 Quarter 2 Report by State Function							
SE#	State Function	Appropriation	Transfers	Revised Budget	Expended	Encumbered/Projected	Projected Favorable/Unfavorable End Year Balance
1000	DISTRICT LEADERSHIP AND ADMINISTRATION	\$ 1,452,397	\$ -	\$ 1,452,397	\$ 979,089	\$ 25,479	\$ 3,911
2000	INSTRUCTIONAL SERVICES	\$ 27,412,952	\$ 7,270	\$ 27,420,222	\$ 9,876,333	\$ 397,771	\$ 378,924
3000	OTHER SCHOOL SERVICES	\$ 1,851,067	\$ (7,128)	\$ 1,843,939	\$ 629,962	\$ 950,320	\$ (138,912)
4000	OPERATIONS AND MAINTENANCE OF PLANT	\$ 3,044,526	\$ (142)	\$ 3,044,384	\$ 1,342,966	\$ 922,583	\$ (17,543)
5000	FIXED CHARGES	\$ 8,689	\$ -	\$ 8,689	\$ -	\$ -	\$ 8,689
9000	PROGRAMS WITH OTHER SCHOOL DISTRICTS	\$ 1,663,416	\$ -	\$ 1,663,416	\$ 408,678	\$ 1,627,489	\$ -
TOTAL		\$ 35,433,047	\$ -	\$ 35,433,047	\$ 13,237,028	\$ 3,923,642	\$ 235,069

FY 2014 Carry-over Encumbrances

Total encumbrances at FY 2014 year end was \$276,127. As of November, 2014 all encumbrances have been paid and closed. The balance remaining turned back to the Town was \$46,078. A schedule detailing encumbrances, expenditures and total turn-back is provided on the attached schedule entitled, *Wayland Public Schools – FY2014 Carry Over*.

Clarifications and Improvements to Quarter 2 Report

The quarter 2 report was shared with the Finance Subcommittee on January 16, 2015 and recommendations were made to clarify and improve upon the information provided for the next quarter’s report. Those recommendations are below:

A column entitled *Year to Date Percentage Expended/Encumbered to Date* was added.

A column entitled *Projected Expenses Remaining* was added

Revolving Accounts – Schedule 5 has been expanded to include the following data for each project:

- Carry-over receipts from FY 2013 to FY 2015
- FY 2015 Budgets
- FY 2015 Projected Expenses Remaining
- FY 2015 Favorable/Unfavorable Projected Year-End Balance