

**UNAUDITED
INTERIM FINANCIAL REPORT
FOR THE FOUR MONTHS ENDING
OCTOBER 31, 2011**



**PRESENTED TO THE SCHOOL BOARD OF THE
CITY OF RICHMOND, VIRGINIA**

Richmond Public Schools
Consolidated Financial Report –For the Four Months Ending
October 31, 2011
Unaudited

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**Richmond Public Schools
General Operating Budget
Financial Report Summary
October 31, 2011**

The Department of Budget and Financial Reporting respectfully presents this report of the financial performance of the Fiscal 2012 general operating fund budget of Richmond Public Schools. This summary presents an analysis of the overall financial performance of the general operating budget for the four months ending October 31, 2011. The YTD financial results presented are unaudited.

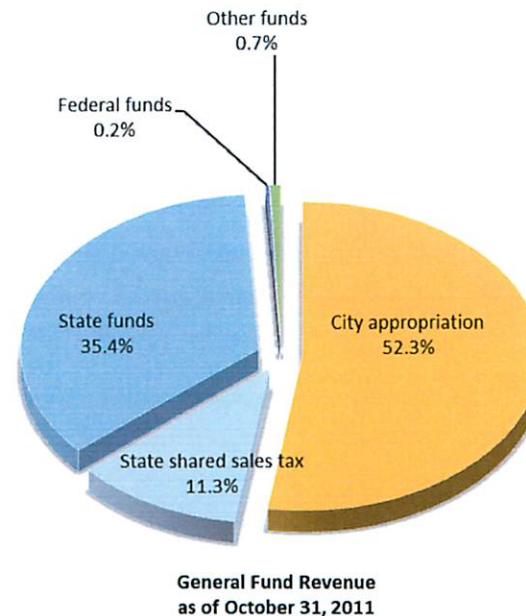
GENERAL FUND FINANCIAL HIGHLIGHTS

Year to date results on a budget basis for the four months ending October 31, 2011 (33.3% of the fiscal year) report general fund revenues (not including encumbrances carried forward) of \$59.1 million, representing 24.8% of budgeted revenues realized. Total general fund expenditures of \$56.9 million, representing 22.3% of the budget spent, and do not include amounts for summer pay (approximately \$22 million) which will be accrued to the fund at year end.

Summary of General Fund Revenue as of October 31, 2011

General Fund Revenue of \$59,108,465 received/earned by source:

- City appropriation - \$30,939,198
- State shared sales tax appropriation - \$6,706,033
- State revenue - \$20,895,264
- Federal revenue - \$146,887
- Other revenue - \$421,083



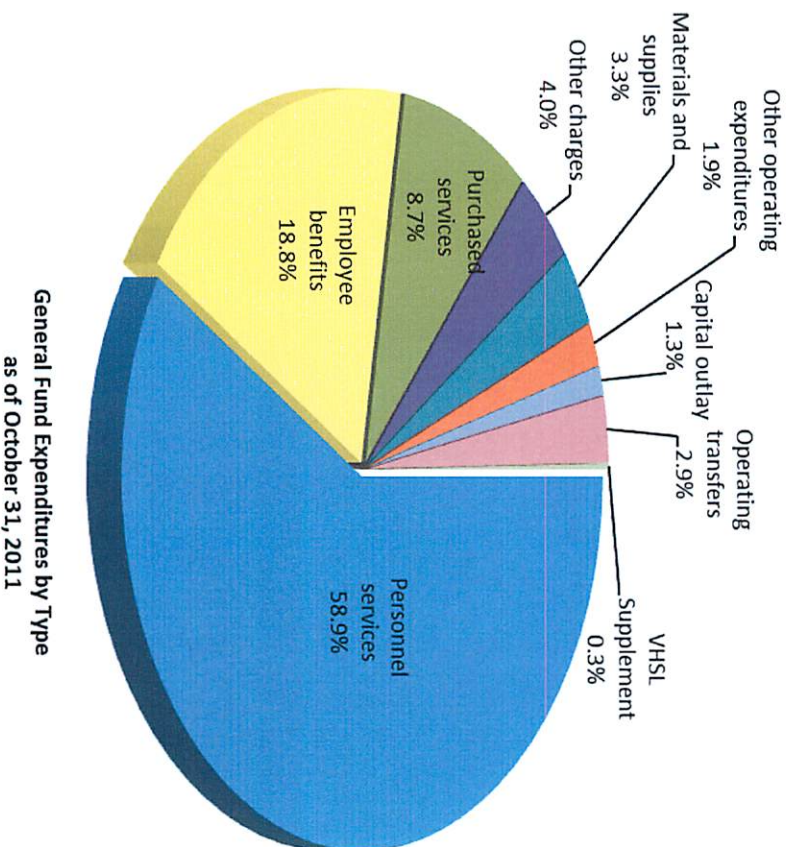
Summary of General Fund Expenditures by Function as of October 31, 2011

General Fund Expenditures of \$56,974,034 by function:

- Instruction - \$40,403,479
- Administration, Attendance & Health - \$3,732,958
- Pupil Transportation - \$2,596,019
- Operations and Maintenance - \$8,574,810
- Facilities - \$27,802
- Fund transfers & other uses - \$1,638,966

General Fund Expenditures of \$56,974,034 by object category:

- Personnel services - \$33,570,115
- Employee benefits - \$10,692,589
- Purchased services - \$4,950,159
- Other charges - \$2,283,587
- Materials and supplies - \$1,893,948
- Other operating expenditures - \$1,072,248
- Capital outlay - \$725,371
- Operating transfers and other uses - \$1,638,966
- VHSL supplement - \$147,051



Richmond Public Schools
Statement of Activity
FY 2011-2012 Fund 100- General Operating Budget
For the Four Months Ending October 31, 2011
Unaudited

	FY2012 Original Budget	FY2012 Current Budget	October Actual Revenue/ Expenditures	FY2012 YTD Revenue/ Expenditures	Budget Variance Favorable (Unfavorable)	% of Budget Received /Expended	FY2011 YTD Revenue/ Expenditures	Current YTD vs. Last YTD	Year to Year Actual % increase/ (decrease)
Beginning Balance									
Prior year fund balance re-appropriation	\$ 6,000,000	6,000,000	-	-	(6,000,000)	0.0%	-	-	0.0%
Prior year committed fund balance - encumbrances	-	6,050,872	-	6,050,872	-	100.0%	-	6,050,872	100.0%
Health care reserve	4,900,000	4,900,000	-	-	(4,900,000)	0.0%	-	-	0.0%
Total beginning balance	10,900,000	16,950,872	-	6,050,872	(10,900,000)	35.7%	-	6,050,872	
Revenue									
City appropriation	123,756,791	123,756,791	-	30,939,198	(92,817,593)	25.0%	31,058,567	(119,369)	-0.4%
State shared sales tax	26,824,133	26,824,133	-	6,706,033	(20,118,100)	25.0%	6,224,270	481,763	7.7%
State funds	80,629,392	80,629,392	5,223,761	20,895,264	(59,734,128)	25.9%	23,158,567	(2,263,303)	-9.8%
Federal funds	6,154,500	6,154,500	59,176	146,887	(6,007,613)	2.4%	132,104	14,783	11.2%
Tuition, fees, and other sources	792,500	815,500	92,497	421,083	(394,417)	51.6%	303,655	117,428	38.7%
Total revenue	238,157,316	238,180,316	5,375,434	59,108,465	(179,071,851)	24.8%	60,877,163	(1,768,698)	-2.9%
Total available for expenditures	249,057,316	255,131,188	5,375,434	65,159,337	(189,971,851)		60,877,163	4,282,174	
Total expenditures	249,057,316	255,131,188	20,158,454	56,974,034	198,157,154	22.3%	52,749,001	4,225,033	8.0%
Revenues Over / (Under) Expenditures	\$ -	-	(14,783,020)	8,185,303			8,128,162	57,141	
Expenditures - by Function									
Instruction ¹	\$ 189,486,088	192,733,618	14,871,216	40,403,479	152,330,139	21.0%	35,985,290	4,418,189	12.3%
Admin and Attendance and Health	13,171,443	13,247,166	1,241,933	3,732,958	9,514,208	28.2%	3,611,312	121,646	3.4%
Pupil Transportation ¹	10,062,632	12,032,459	555,768	2,596,019	9,436,440	21.6%	2,448,123	147,896	6.0%
Operations & Maintenance	28,026,934	28,807,725	2,070,991	8,574,810	20,232,915	29.8%	9,011,588	(436,778)	-4.8%
Facilities	78,095	78,095	6,804	27,802	50,293	35.6%	24,953	2,849	11.4%
Fund Transfers & Other Uses	8,232,124	8,232,124	1,411,742	1,638,966	6,593,158	19.9%	1,667,735	(28,769)	-1.7%
Total expenditures by function	249,057,316	255,131,188	20,158,454	56,974,034	198,157,154	22.3%	52,749,001	4,225,033	8.0%
Expenditures - by Type									
Personnel services ¹	147,927,999	147,932,999	12,224,538	33,570,115	114,362,884	22.7%	32,283,675	1,286,440	4.0%
Employee benefits ¹	57,541,966	57,541,966	4,268,266	10,692,589	46,849,377	18.6%	9,267,106	1,425,483	15.4%
Purchased services	15,650,129	18,144,144	939,591	4,950,159	13,193,985	27.3%	3,802,019	1,148,140	30.2%
Other charges	7,523,361	7,774,772	234,750	2,283,587	5,491,185	29.4%	2,138,241	145,346	6.8%
Materials and supplies	5,712,382	6,216,223	487,552	1,893,948	4,322,275	30.5%	2,019,324	(125,376)	-6.2%
Other operating expenditures	4,752,021	6,320,544	257,805	1,072,248	5,248,296	17.0%	1,245,354	(173,106)	-13.9%
Capital outlay	1,461,413	2,709,788	268,036	725,371	1,984,417	26.8%	189,285	536,086	283.2%
Operating transfers & Other uses	8,232,124	8,232,124	1,411,742	1,638,966	6,593,158	19.9%	1,667,736	(28,770)	-1.7%
VHSL Supplement	255,921	258,628	66,174	147,051	111,577	56.9%	136,261	10,790	7.9%
Total expenditures by type	\$ 249,057,316	255,131,188	20,158,454	56,974,034	198,157,154	22.3%	52,749,001	4,225,033	8.0%

Year to Year actual variances >= 5% are explained on the following page

Year to Year actual variances >= 5%

Variances by Function

Instruction - up 12.3% - related to budgeted increase for instructional positions moved the general fund in FY12 that were ARRA funded in FY11 (\$2.8 million), instructional technology purchases and one-time, 1% bonus.

Pupil Transportation - net increase of \$147,896 or 6% - increase in bus driver and substitute bus driver wages of \$45 thousand, expenditure for two 77 passenger buses of \$174K and expenditures for five replacement vehicles (charged to function 3700) of \$86 thousand offset by a decrease in garage services and fuel for buses.

Facilities - up \$2,849 or 11.4% - personnel increase related to the additional duty supplement for the construction inspector.

Variances by Type

Personnel services - up by 4% - the net increase in personnel costs ytd compared to last year relate to: budget increase for positions moved to the general fund, one-time 1% bonus offset by decreases resulting from strategic hiring, and vacancy eliminations as budgeted in the FY12 plan.

Employee benefits - up by 15.4 % - benefits associated with increase personnel costs.

Purchased services - up by 30.2% - primarily related to FY12 tuition for regional programs which was paid in FY12.

Other charges - up by 8.7% - other charges includes student transportation services and field trips of \$34 thousand and communications which includes telephone and wiring related to technology upgrades which is up by a net of \$98 thousand

Materials and supplies - down 6.2% - primarily related to decreases in janitorial, repair and maintenance supplies of \$210 thousand.

Other operating expenditures - down 13.9% - includes garage services (repairs, parts, bus fuel) as discussed above in the Transportation function, which are down by \$266 thousand; offset by increases in warehouse services - instructional purchases of \$82 thousand.

Capital outlay - includes purchase of replacement school buses and vehicles discussed in the transportation function and includes continuation of technology equipment upgrades which began in FY11

VHSL supplement - up by \$10,790 or 7.9% - related to timing of program activity (needs, ordering, expenditures, etc.) at high schools.

Richmond Public Schools
Statement of Activity
FY 2010-2011 Fund 100- General Operating Budget Detail
For the Four Months Ending October 31, 2011
Unaudited

	FY2012 Original Budget	FY2012 Current Budget	October Actual Revenue/ Expenditures	FY2012 YTD Revenue/ Expenditures	Budget Variance Favorable (Unfavorable)
Expenditure Detail - by Type					
Personnel services - salaries and wages	\$ 147,927,999	147,932,999	12,224,538	33,570,115	114,362,884
Employee benefits	57,541,966	57,541,966	4,268,266	10,692,589	46,849,377
Purchased services:					
Service contracts	2,016,869	3,185,958	36,989	366,041	2,819,917
Professional services	1,961,233	2,139,581	155,683	318,004	1,821,577
Tuition	5,934,582	6,470,234	235,789	2,643,140	3,827,094
Temporary services	226,550	262,972	15,908	57,030	205,942
Nonprofessional services	3,695,533	4,156,660	423,840	924,612	3,232,047
Repairs and maintenance	1,815,362	1,928,740	71,384	641,332	1,287,409
Total purchased services	15,650,129	18,144,144	939,592	4,950,159	13,193,986
Other charges:					
Advertising	95,075	101,134	17,982	22,317	78,817
Student transportation	660,421	668,553	66,539	112,646	555,907
Expense recovery	(3,900,000)	(3,900,000)	(562,078)	(1,063,245)	(2,836,755)
Insurance	2,091,682	2,091,682	49,893	630,278	1,461,404
Utilities	6,685,000	6,887,021	461,665	1,800,712	5,086,310
Communications	1,522,203	1,557,313	179,249	674,273	883,039
Rentals	368,980	369,069	21,500	106,606	262,463
Total other charges	7,523,361	7,774,772	234,750	2,283,587	5,491,185
Materials and supplies:					
Supplies	4,642,768	4,935,030	354,712	1,336,915	3,598,115
Printing and binding	175,879	181,322	49,230	74,089	107,233
Books and periodicals	294,319	308,801	11,105	20,618	288,183
Textbooks	501,500	654,151	62,834	410,953	243,198
Other	97,916	113,919	9,672	51,375	62,544
Total materials and supplies	5,712,382	6,193,223	487,553	1,893,950	4,299,273
Other operating expenditures:					
Staff development	458,675	474,068	37,841	149,620	324,448
Dues and fees	225,303	232,728	12,691	16,728	216,000
Travel	238,136	239,920	8,890	27,372	212,548
Commencement	53,736	53,736	(54)	431	53,305
Awards	33,990	35,149	334	5,574	29,575
Claims and judgements	45,000	45,000	-	-	45,000
Garage services	2,410,981	3,772,803	5,509	289,376	3,483,427
Warehouse services	1,200,000	1,238,504	115,369	438,759	799,744
Other	86,200	251,637	77,224	144,387	107,251
Total other operating expenditures	4,752,021	6,343,544	257,804	1,072,246	5,271,298
Capital outlay:					
Land & Building Improvements	1,500	1,525	11	36	1,489
Equipment additions	968,905	1,296,361	170,647	409,525	886,836
Equipment replacement	491,008	1,411,902	97,378	315,810	1,096,092
Total capital outlay	1,461,413	2,709,788	268,036	725,371	1,984,417
Operating Transfers & Other Uses:					
Operating transfers out	7,732,124	7,732,124	1,411,742	1,515,032	6,217,092
Debt Service-Capital leases	500,000	500,000	-	123,934	376,066
Total operating transfers & other uses	8,232,124	8,232,124	1,411,742	1,638,966	6,593,158
VHSL Supplement	255,921	258,628	66,174	147,051	111,577
Total expenditures	\$ 249,057,316	255,131,188	20,158,454	56,974,034	198,157,154

Richmond Public Schools
Fund Transfers & Other Uses
FY 2011-2012 Fund 100- General Operating Budget
For the Four Months Ending October 31, 2011
Unaudited

	FY2012 Original Budget	FY2012 Current Budget	FY2012 YTD Actual	Budget Balance
<u>TRANSFERS TO SPECIAL REVENUE* & OTHER FUNDS</u>				
Adult Education	\$526,000	\$526,000	18,455	507,545
Federal Work Study Program	30,000	30,000	-	30,000
Early Reading Initiative	283,970	283,970	-	283,970
Enhancing Education through Technology	3,500	3,500	3,500	-
Head Start	690,000	690,000	225,546	464,454
J. Sarg. Reynolds Dual Enrollment	75,000	75,000	-	75,000
Mentor Teacher Program	35,500	35,500	-	35,500
St. Joseph's Villa	115,000	115,000	103,290	11,710
Title I	15,000	15,000	814	14,186
Truancy/Drug Free Schools	-	-	-	-
VA Commission for the Arts	35,000	35,000	-	35,000
Partners in the Arts	-	-	-	-
Summer School	892,500	892,500	-	892,500
Community Education Partnership	4,897,039	4,897,039	1,163,427	3,733,612
Arthur Ashe Center	25,000	25,000	-	25,000
RTC Print Shop	54,100	54,100	-	54,100
Copy Center	54,515	54,515	-	54,515
TOTAL TRANSFERS OUT	\$7,732,124	7,732,124	1,515,032	6,217,092
<u>DEBT SERVICE</u>				
Capital One Public Funding LLC - Energy Performance Program	500,000	500,000	123,934	376,066
TOTAL FUND TRANSFERS OUT & OTHER USES	\$8,232,124	\$8,232,124	\$1,638,966	\$6,593,158

Notes:

*Transfers to Special Revenue funds are primarily the local cash match required for projects funded from grants.

Richmond Public Schools
Nutrition Services - Statement of Activity
FY 2011-2012 Fund 502 - Operating Budget
For the Four Months Ending October 31, 2011
Unaudited

	FY2012 Original Budget	FY2012 Current Budget	Preliminary October Actual Revenue/ Expenditures	Revised September Actual Revenue/ Expenditures	August Actual Revenue/ Expenditures	July Actual Revenue/ Expenditures	FY2012 YTD Revenue/ Expenditures	Budget Variance Favorable (Unfavorable)	Received/ Obligated as % of Revised Budget	FY2011 YTD Actual Revenue/ Expenditures	Current Year vs. Last Year	Increase/ (Decrease) % Last Year to Date
Operating Revenue												
Sales and Related Income *	\$ 1,757,000	\$ 1,757,000	-	14,359	176	25,880	40,414	(1,716,586)	2.30%	45,313	(4,899)	-12.12%
State Reimbursements												
Breakfast Incentive Program	-	-			-	-	-	-	-	-	-	0.00%
School Lunch Program	270,754	270,754	-	-	-	-	-	(270,754)	0.00%	-	-	0.00%
Federal Reimbursements *												
Breakfast Program	2,400,000	2,400,000	-	255,268	-	-	255,268	(2,144,732)	10.64%	412,934	(157,666)	0.00%
Lunch Program	5,900,000	5,900,000	-	635,526	-	-	635,526	(5,264,474)	10.77%	986,941	(351,415)	0.00%
Fresh Fruit & Veggie Program	-	432,396	-	-	-	-	-	(432,396)	0.00%	-	-	0.00%
Other	270,000	270,000	-	240,742	-	-	240,742	(29,258)	89.16%	264,062	(23,320)	-9.69%
Commodities Received (fair value)	395,000	395,000	43,889	43,889	-	-	87,778	(307,222)	22.22%	110,000	(22,222)	-25.32%
Total Operating Revenue	\$ 10,992,754	11,425,150	43,889	1,189,784	176	25,880	1,259,729	(10,165,421)	11.03%	1,819,250	(559,521)	0.00%
Cost of Sales												
Cost of Sales (food & related costs)**	\$ 4,762,000	\$ 5,140,936	28,777	589,978	73,804	258	692,817	4,448,119	13.48%	1,021,249	(328,432)	-32.16%
Commodities Used (fair value)	395,000	395,000	43,889	43,889	-	-	87,778	307,222	22.22%	110,000	(22,222)	0.00%
Total Cost of Sales	5,157,000	5,535,936	72,666	633,867	73,804	258	780,595	4,755,341	14.10%	1,131,249	(350,654)	-31.00%
Gross Profit (Loss)	5,835,754	5,889,214	(28,777)	555,917	(73,629)	25,622	479,134	(14,920,762)	8.14%	688,001	(208,867)	-30.36%
		11,430,150										
Operating Costs												
Salaries and Wages	3,046,174	3,046,174	368,912	337,881	275,025	(89,667)	892,151	2,154,023	29.29%	869,398	22,753	2.62%
Employee Benefits	1,238,502	1,413,274	121,822	120,558	86,240	(56,673)	271,947	1,141,327	19.24%	233,882	38,065	16.28%
Purchased Services	70,680	70,680	2,620	4,876	1,065	-	8,562	62,118	12.11%	58,768	(50,206)	-85.43%
Other Charges	12,000	12,000	1,092	-	-	-	1,092	10,908	9.10%	128	964	0.00%
Supplies and Materials	876,770	876,770	104,787	51,740	45,715	102	202,344	674,426	23.08%	250,378	(48,034)	-19.18%
Other Operating Expenses	145,800	60,056	1,910	2,843	1,940	677	7,371	52,685	12.27%	7,414	(43)	-0.58%
Equipment Lease	135,800	135,800	-	22,580	11,290	-	33,870	101,930	24.94%	45,160	(11,290)	-25.00%
Equipment Purchases	226,000	268,104	22,223	62,605	4,165	-	88,993	179,111	33.19%	89,903	(910)	-1.01%
Reserve for Contingencies	89,028	-	-	-	-	-	-	-	0.00%	-	-	0.00%
Total Operating Costs	\$ 5,840,754	5,882,858	623,367	603,084	425,439	(145,559)	1,506,330	4,376,528	25.61%	1,555,031	(48,701)	-3.13%
Net Income/ (loss) from Operations	(5,000)	6,356	(652,144)	(47,167)	(499,068)	171,181	(1,027,196)			(867,030)		
Non-operating income/expenses												
Interest Earnings	5,000	5,000	-	-	-	-	-			-		
Net Income	\$ -	11,356.00	(652,144)	(47,167)	(499,068)	171,181	(1,027,196)			(867,030)		
Fund Balance - July 1, 2011 (unaudited)							<u>1,641,214</u>					
Fund Balance - At Present							<u>614,018</u>					

* Sales revenue for the month of September is not reconciled as of the date of this report and total revenue based on participation for the month of October is not calculated as of the date of this report

** Food costs reflects October invoices received and processed as of November 15, 2011.