

General

Question Location Program Function Object Code Description Question

1 Overall		<p>In fiscal year 2023, all major categories spent more than appropriated.</p> <p>a. When did the school know that these categories were overbudget?</p> <p>b. Where was money found to pay for the overspending?</p>																											
Question 1 response		<p><i>The instruction category was not overspent. We didn't know until November 2023 when we were ready to close out FY23. There was a lot of movement among categories and funds as we worked to align expenditures with appropriate accounts. Our FY23 expenditure summary reprot shows that we were overspent in Fund 1 by \$418,303.41. However, I foud that the categorical appropriations that were in RDA were not correct and therefore the report is not accurate. When I began in November 2022 teh budget was in RDA. The total appropriation for Fund 1 was \$20,911,890 but RDA shows \$19,844,103.38. Our total expenditures in Fund 1 were \$20,262,406.79, leaving a balance of \$649,483.21.</i></p> <table border="1" data-bbox="1066 646 1663 906"> <caption>FY2023 - Northumberland County Public Schools</caption> <thead> <tr> <th>Category</th> <th>Appropriation in RDA</th> <th>Actual Appropriation</th> </tr> </thead> <tbody> <tr> <td>Instruction</td> <td>\$14,121,453.00</td> <td>\$15,196,989.00</td> </tr> <tr> <td>Administration</td> <td>\$1,220,136.60</td> <td>\$1,222,415.00</td> </tr> <tr> <td>Transportation</td> <td>\$1,367,147.00</td> <td>\$1,369,756.00</td> </tr> <tr> <td>Operations & Maintenance</td> <td>\$2,061,687.00</td> <td>\$2,063,264.00</td> </tr> <tr> <td>Facilities</td> <td>\$65,213.78</td> <td>\$50,500.00</td> </tr> <tr> <td>Debt</td> <td>\$7,859.00</td> <td>\$7,859.00</td> </tr> <tr> <td>Technology</td> <td>\$1,000,607.00</td> <td>\$1,001,107.00</td> </tr> <tr> <td>Total</td> <td>\$19,844,103.38</td> <td>\$20,911,890.00</td> </tr> </tbody> </table>	Category	Appropriation in RDA	Actual Appropriation	Instruction	\$14,121,453.00	\$15,196,989.00	Administration	\$1,220,136.60	\$1,222,415.00	Transportation	\$1,367,147.00	\$1,369,756.00	Operations & Maintenance	\$2,061,687.00	\$2,063,264.00	Facilities	\$65,213.78	\$50,500.00	Debt	\$7,859.00	\$7,859.00	Technology	\$1,000,607.00	\$1,001,107.00	Total	\$19,844,103.38	\$20,911,890.00
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question 1 FollowUp		<p>Thank you and please share where funds were obtained to address the overspending. The admin, transporation, operations, and technology categories were all overspent in 2023 according to school reports that do include the correct appropriation amounts (not those listed above from RDA). the Admin expenses (per the December 5 expense report to the School Board) were \$1,357,424.08 on a \$1,222,415 budget so overspent by \$135,009.08. Transportation overspent by \$74,660.92 (\$1,369,756 - \$1,444,416.92), operations by \$134,857.79 (\$2,063,264 - \$2,198,117.79), and technology by \$22,863.60 (\$1,001,107-\$1,023,970.60). This is a total deficit spend of \$719,083.23. Where were the funds found to cover these expenses and when was the Board of Supervisors notified?</p>																											
2 Overall		<p>The expense reports identify many areas where spending happens but there are no appropriations. What is the school financial policy regarding spending money out of accounts for which there are no appropriations?</p>																											
question 2 response		<p><i>A journal entry should be made to move the funds to the line item.</i></p>																											
question 2 followup		<p>Will such entries be done for all areas of the budget where expenses exceeded revenues and/or there were no appropriations yet expenses occurred? Or are the journal entries only planned for those areas for which there were questions? From where will the money come to cover expenses if five of the six major categories were overspent? How will these corrections impact any budget estimates for the 2024/2025 budget request?</p>																											

3 Overall		What is the dollar amount in fixed expenses for the next 10 years? For example, what are the financial obligations for software, contracts, benefits, retirement, etc for the next 5 to 10 years so we know how much is required for planning for the next 5 years?
question 3 response		<i>Historically, NCPS has not engaged in 5 to 10 year budget planning.</i>
question 3 followup		Does the school currently have any contracts in place that extend beyond June 2024? If so, which contracts are they, when do they end, and what is the cost per year of such contracts?
4 Overall		What are supplemental salaries? How are they used? How are they planned for and budgeted? This type of salary payment significantly exceeded the appropriation in 2022/2023 and is already overbudget for 2024 with six months still to go in the school year so how will this expense be managed?
question 4 response		<i>Supplemental pay includes afters school activities, tutoring, coaching, metal detection, etc. Principals make recommendations for supplemental positions and pay; the School board reviews these recommendations for approval. We are reviewing each employee to ensure their pay is being expensed to the corresponding account code. We will process journal entries to correct errors and move funds/expenses to the correct lines.</i>
question 4 followup		Will moving these expenses to the correct line items result in any changes to other cost lines/categories? Please share the corrected 2024 information with the next set of responses so we can include this analysis in the 2025 budget.
7 Overall		What percentage of children transferring into NoCo from other counties require extra social and/or medical support services? How are those support services billed and paid for - by NoCo or the county that is sending the children?
question 7 response		<i>It is not legal to deny a nonresident student who requires specialized education/medical services. However, the current nonresident requirements emphasize effort toward consistent attendance, effort toward positive behavior, and effort toward academics. Any student who is not in good standing is put on probation. If the probationary period does not show improvement, then the student and family are required to re-enroll in the public school division where they have residency. Currently, about 6.7% of our nonresident students require extra support.</i>
question 7 followup		Thank you and are the costs for care billed and reimbursed by Northumberland school system as the system in which the student is enrolled?
8 Overall	VSRS & VSRS 2210 hybrid	The budget includes requested funds for VSRS but not VSRS hybrid. Expenditures are made in each category so why are there no funds requested or appropriated for the hybrid category?
question 8 response		Most employees were being expensed to VSRS. We will make the necessary corrections for FY24 and will complete the journal entries.
question 8 followup		Will the same correction be made to the FY25 chart of accounts budget request?
10 Overall		In fiscal year 2023, the school documented over \$1.4 million dollars in post-year expenditures. (a) what are post-year expenditures? (b) are they paid for out of the current year appropriations or the prior year appropriations? (c) how are these factored into the current year budget?
question 10 response		<i>(a) Post-year expenditures are payments that are made after June 30th but accrued back to the previous fiscal year. Examples would include expenditures that occurred between July 1st and June 30th but invoices were not received until after June 30th. Additionally, teachers and paraprofessionals are paid August through July. Their July pay is entered in post year since it occurs after June 30th. (b) prior year. (c) they aren't because they are accrued back.</i>

<p>question 10 followup</p>	<p>Are post-year expenses included or excluded in "year to date" expenses"? For example, Function 62110, code 5504 identifies 0 appropriations for 2024, \$156.98 in outstanding encumbrances, \$1,182.08 in post-year expenses and \$1,307.06 in expenses to date leaving an available balance of (1,464.94) Adding the encumbrances and post-year would be total expenses of \$1,339.06, not \$1,307.06. The available balance is a combination of the expenses to date and encumbrances. The post-year expenses are not factored in. This is a small example but there are other areas in 2023 with much larger amounts. The primary question is how are the post-year expenses captured in the final year end spending? Are they added to the expenditures-to-date to reach a total expended figure? If not, when are they factored into the total year end spending?</p>
<p>11 Overall</p>	<p>If a budget area is already overspent for this fiscal year, will spending in that area stop? Does the monthly reconciliation identify these areas to help with managing funds throughout the year?</p>
<p>question 11 response</p>	<p>It depends on where we are with the category. No, the monthly reconciliation is just confirming that the revenues and expenditures that the school has documented each month matched the county records. The monthly expenditure summary report helps manage funds throughout the year.</p>
<p>question 11 followup</p>	<p>If the monthly expenditure summary report helps manage funds throughout the year, how did all but the instruction categories get overspent in 2023? (see earlier question on amounts overspent in each) How will you ensure such overspending does not occur again in 2024?</p>
<p>12 overall</p>	<p>The salaries in th Administrative category increased at a rate of 30% since 2022 while the salaries in instruction and the other categories (except maintenance) increased at less than 20%. The increase has occurred even with several vacancies. Can you share more information on this change?</p>
<p>question 12 response</p>	<p><i>There are very few employees in thic category so each change makes a more significant impact than in categories where there are many more emmployees. New employees were hired at higher salaries than those before them. These positions had about 2-3 week vacancies. What does this mean? The current finance dirctor holds a Master's degree and an Educational Specialist degree; the current Finance Specialist II holds a Master's degree and an educational specialist degree; prior finance employees did not have a Bachelors/Masters/Educational Specialist. In addition, some members of the newly hired finance team participate in the family plan for health insurance.</i></p>
<p>question 12 followup</p>	<p>Please expand on how participation in the family plan for insurance impacts an employee's salary. Are employees participating in the family plan paid more in salary?</p>
<p>15 Instruction</p>	<p>NMS Instructional support student - secondary blue cross went up from 26.6k in FY23 to 128.3k in FY 24 and is back to 31.8k proposed for FY25. This is apparently a typo, but how was this extra 100k utilized in the current year's budget?</p>
<p>question 15 response</p>	<p><i>The additional funds were not expended.</i></p>
<p>question 15 follow-up</p>	<p>Will these funds be returned to County taxpayers as they were not needed?</p>
<p>16 cafeteria</p>	<p>laborer/worker salaries</p>
<p>question 16 response</p>	<p>why are the laborer/worker salaries in the cafeteria section increasing anywher from 15-33% at each school? We have hired new employees with different levels of experience. Adjustments have also been made to the salary scale to ensure minimum wage requirements were being met.</p>

question 16 followup		During the Feb 29 budget presentation, the Finance Director clarified that cafeteria costs are fully covered by grants and no County tax dollars are required. Please confirm that any increases in salary and insurance for cafeteria employees are covered by other than county resources. Please clarify what is meant by "adjustments have been made to the salary scale to ensure minimum wage requirements are being met". Does this mean the school hired these employees at below the state required minimum wage?
17 overall	revenues and expenditures	The budget presented on February 29, 2024 (that was approved by the school board on January 8, 2024) does not balance. Depending on the inclusion or exclusion of federal expenditures, the budget is either in deficit or revenues exceed expenditures. Will the school board be voting on a new budget that balances?
new question - 18 revenues	revenues	State and federal revenues included in the 2025 budget request are higher than pre-covid levels (2019) and even higher than in 2017 when the LCI was the same (.76). When do you anticipate the school expenses returning to pre-covid levels? The estimated revenues are higher than pre-covid (2019) yet the expenses are still growing, when will they adjust?
new question - 19 overall	journal entries	Responses to the first set of questions include actions that will be taken to correct anomalies in the 2024 (and perhaps 2023) expenses. Journal entries are planned to move expenses and appropriations. Will such entries be done for all areas of the budget where expenses exceeded revenues and/or there were no appropriations yet expenses occurred? Or are the journal entries only planned for those areas for which there were questions? From where will the money come to cover expenses if five of the six major categories were overspent (per question 1)? Will these corrections impact any budget estimates for the 2024/2025 budget request?
new question - 20 overall	revenues	The revised budget approved at the March 11, 2024 School Board meeting increases estimated expenditures by \$2,000 and decreases revenue by over \$1.2M. What is the explanation for this significant difference?
new question - 21 overall	past year modifications	The revised 2024/2025 budget approved at the March 11, 2024 School Board meeting and provided to the County includes changes to the 2023/2024 and 2022/2023 budget requests. Please provide an explanation.
new question - 22 overall	general	Are the budget figures for prior years based on actual expenditures or are they a repeat of the requests from those particular years?
new question - 23 overall	reimbursement	The most recent audit report identifies that, at the time of the analysis, the school still needed to collect \$2.7 million in grant funds (page 29). Are those reimbursements that will be returned to County taxpayers? In total, what is the amount of reimbursement to the County for the year ending 2023 and so far in 2024?
new question - 24 audit	funds management	The most recent audit report identifies that expenditures in all major categories exceeded original appropriations in 2023 (page 140). The audit report identifies two major categories that exceeded appropriations even after supplemental funds were applied. Where did the supplemental funds from all categories come? Where did the school find the resources to cover the overspending? How much of the supplemental funds were reimbursements?
new question - 25 audit	leases	The audit report identifies the school issued a new lease which generated revenue (page 128). This revenue does not appear on the overall summary of the report nor does it appear in the lease summary for the County (p 97). What did the school lease to generate this revenue? Will the lease generate revenue each year in the future?

Admin

Program	Function	Object Code	Description	Question
3	62120	6120	Administrative services - supplemental salaries	Funding has been requested an appropriated in this category for a few years yet it has not been spent? Why is this requested again in 2025?
Question 3 response				<i>(1620) These expenses went under line 62120-2810. We will be moving them back to the correct line with a journal entry.</i>
Question 3 followup				the \$12,360 appropriated to line 1620 should be moved to line 2810 per this response. However, the response for the question on 2810 states that some of those funds should be moved here. Please clarify how much is appropriated to line 6120 for 2024 and what the amount for this line in the 2025 chart of accounts should be if not \$12,360.
4	62120	2810	Administrative services - ER 403(b)	No funding was appropriated in this category in 2023 and over \$41,000 was spent. No funding was requested in 2024 and \$500 has been spent. Where are the funds being spent in this category coming from? Will there be more expenditures in 2024 and in 2025?
Question 4 response				Part of the \$41,000 should have been expensed to line item 1620 line. We will be making the necessary corrections to move expenses to the correct line.
Question 4 followup				Please clarify what the expenses in this line were in 2023, how much is appropriated to this line in 2024, and how much is requested in 2025. If part of this line should be expensed in 1620 but all of line 1620 should be in 2810, how much goes where?
5	62120	3500	Administrative services - printing and binding.	In 2023, this item was overspent by almost 600%. The funding is overspent again in 2024. How is this item budgeted and why are costs so much greater than budgeted?
Question 5 response				<i>Printing costs have increased tremendously. We will be creating journal entries to account for this.</i>
question 5 followup				As this overall category was overspent by just over \$134,000 so from where will the funds be transferred to cover this categorical overspending and when will the Board of Supervisors be notified? How will funding be managed in 2025 to avoid overspending?
8	62120	5804	Administrative Services - miscellaneous	What is included in this category and to what do you attribute the overspending so far this year?

<p>Question 8 response</p>	<p><i>This line is for miscellaneous expenses, such as plants for school board appreciation gifts. Once a journal entry has been completed, it will no longer be overspent.</i></p>
<p>Question 8 followup</p>	<p>As this overall category was overspent by just over \$134,000 so from where will the funds be transferred to cover the overspending? For FY2024, where will spending be decreased in this category to cover the overspending for School Board appreciation gifts?</p>

Questions Based on Jan 8 2024 SB approved budget and Dec 5 2023 SB reviewed FY23 year end expenditures and jan 2024 expense report and Feb 29, 2024 budget presentation

Transportation

Program	Function	Object Code	Description	Question
1	1	63200	2800 other benefits - bus drivers	What is included in this category? What are "other benefits"
				<i>Question 1 response</i> <i>This is the employer paid 403(B) to Virginia retirement specialists, inc (VRSI).</i>
2	1	63200	5303 insurance	In 2023, this area was budgeted at \$21,000 and spent at \$84,000. So far this year, \$11,000 of the \$21,000 has been spent. What created the large overspending last year and are we confident it won't happen again?
				<i>Question 2 response</i> <i>Some of our liability insurance and disability insurance invoices were incorrectly expensed to this account. We are confident this will not happen again.</i>
				Question 2 followup Will journal entries be completed to shift the expenses to the appropriate category, similar to other such situations?
3		63400	8102 Cap Outlay Replacement	In 2023, nothing was appropriated and \$81,000 was spent and nothing is requested in 2025. Are the school bus replacements all finished?
				<i>question3 response</i> <i>No they are not. We request school bus replacements through the CIP, not the general budget. The \$81,000 was for two bus engine replacements. We did not have funds in 8102, and did have \$40,000 in 8202, Capital Outlay Additions. Unfortunately, we had three bus engines fail, and they needed replacing in order to transport our students to school.</i>
				question 3 followup Similar to other situations like this in these questions, will a journal entry be done to accurately record the shift of monies from one area to another?
4		63200	1100 personal - salaries	Can the school confirm that the amounts requested for school bus drivers cover all insurance, raises, and other benefits?
				<i>question 4 response</i> <i>We can confirm that the budgeted amount includes current staff, the 2% increase, the 1.5% step, and a 12% increase to the employer share of health insurance based on the current plan choices of transportation employees. If a driver who currently has an individual plan has a qualifying event and changes their plan as a result, (with child, family etc.) the employer share will increase. Just as if an employee with less experience leaves and an employee with more experience is hired, the employer share will increase.</i>
				question 4 followup Why is the health insurance in this area increasing at 12% and in all other areas only 7.2%? Is this the only area of insurance where rates are based on employee experience?

Questions Based on Jan 8 2024 SB approved budget and Dec 5 2023 SB reviewed FY23 year end expenditures and jan 2024 expense report and Feb 29 2024 budget presentation

Operations & Maintenance

Location	Program	Function	Object Code	Description	Question
1 District		64200	2300	Blue Cross	The request 2025 is more than double the current amount and far exceeds the rate of increase for other Blue Cross line items. The salary, FICA etc amounts do not increase at the same rate. To what do you attribute this large change?
					<i>Last year the majority of the custodians were employees of Service Master and not NCPS; therefore they did not have insurance through the school division. Moving forward, they are Northumberland Co Public Schools' employees and will have access to insurance through us.</i>
					If employees have been added, why are there no corresponding increases in retirement, FICA, salaries, and other areas, why only insurance?
2 District		64400	1160	Director of Maintenance	This line item expended at more than double the budget amount in 2023 and is already overspent this fiscal year. What is the cause and are you confident 2025 will be different?
					Three employees in this category were expensed to this line. Only one should have been, causing this line to be over by \$103,551. The other two should have been expensed to 64400-1170 which had an appropriation of \$103,551 and an expenditure of \$0. Yes it will be different. We are reviewing each line and will make corrections via journal entries as required.
					Will these adjustments have an impact on the 2024/2025 budget request?

Questions Based on Jan 8 2024 SB approved budget and Dec 5 2023 SB reviewed FY23 year end expenditures and jan 2024 expense report and Feb 29 2024 budget presentation

Technology

Location	Program	Function	Object Code	Description	Question
1 District Wide	all		68100 all	Technology	In what area can we find the planned expenses for any technology refresh to replace aging equipment?
					<p style="text-align: center;">Technology Questions</p> <p>In what area can we find the planned expenses for any technology refresh to replace aging equipment? Northumberland County Public Schools, along with most school systems, are eligible for an E-rate funding discount. The Schools and Libraries (E-Rate) Program provides discounts to assist eligible schools and libraries to obtain affordable internet access and telecommunications services. Under E-rate funding there are two categories. Category 1 which includes internet access and Category 2 which includes equipment used for the network infrastructure. E-Rate discounts are calculated based on the percentage of students who are eligible for Free & Reduced Lunch or the level of poverty and location of the school. NCPS qualifies for 90 percent of funding under Category 1 and 85 percent of funding under category 2 to be discounted under this program. Which means that NCPS was only responsible for the cost of 10 percent of the category 1 expenses and 15 percent of category 2 expenses used for the network upgrade. Only Category 2 funding was used for the network upgrade as all equipment for the network infrastructure were eligible under this category. NCPS has only had one network upgrade since the middle/high schools were built in 2009 meaning that all network equipment was outdated and at end of life when the new Director of Educational Technology transitioned to the position in 2020. The Network upgrade occurred during the summer of 2023 and the 15 percent cost that NCPS was responsible for was covered under ESSER III funding. There were no expenses that came out of the technology budget line for this project.</p>
					<p>Question 1 response</p>
					<p>Question 1 follow-up</p> <p style="text-align: center;">Thank you for this very thorough and detailed explanation. This is very useful information.</p>
2 District Wide	all		681000 all	Technology	The technology budget was overspent last year and is on track to exceed expenditures again this year. Software appears to be the area of greatest overspending. What options has the school explored with respect to discounts or other solutions to help keep costs down in this area?
					<p>area? The Educational technology department does an audit each year of instructional and administration technology to determine if or what may need to be removed from our current process. All instructional software that is currently being utilized by students and teachers are resources that are used on a daily basis and are paid for according to the number of students. The expenditure report is inaccurately showing that the technology budget is on track to exceed expenditures due to an error found in RDA. There is money that has been encumbered that has already been spent from the technology budget causing the available balance to be increasingly lower than it actually is. The technology accounts are on track to stay within the budget constraints set forth for the 2023-2024 school year.</p>
					<p>Question 2 response</p>
					<p>Question 2 follow-up</p> <p style="text-align: center;">Will journal entries be completed to accurately reflect the status of the account and attribute the other expenses to their appropriate location?</p>