



Selected Financial Data Maryland Public Schools 2002 – 2003

Part 1 – Revenue, Wealth, and Effort

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INTRODUCTION

Selected Financial Data is an annual four-part publication of the Maryland State Department of Education. Part 1 includes information about the sources of funding for the local education agencies (LEAs) of Maryland. Part 2 contains expenditure information, reported by expenditure object within state expenditure category. Part 3 provides per pupil cost information about the expenditure categories of the LEAs, and Part 4 is a ten-year summary of selected information from Parts 1-3.

OVERVIEW

Maryland LEAs are required to annually budget and account for expenditures in accordance with the budget categories identified in Section 5-101 of the *Education Article of the Annotated Code of Maryland*. The *Financial Reporting Manual for Maryland Public Schools* provides interpretation of this law and delineates a structure for reporting expenditures. This structure includes fund accounting concepts in which resources are segregated for the purpose of carrying on specific activities or meeting specific objectives. The fund-types reported by the LEAs are the Current Expense Fund, School Construction Fund, Debt Service Fund, Food Service Fund, Student Activities Fund, and Trust and Agency Fund. Revenue for the Trust and Agency Funds and the Student Activity Fund are not included in the tables that follow.

HIGHLIGHTS

- Revenue for Maryland public elementary and secondary education now exceeds \$8.7 Billion per year. Only a decade ago, total revenue was just over \$4.9 Billion.
- The percentage of revenue from state sources is 38%, a slight increase of about one percent over last year.
- State current expense aid and compensatory education aid, representing about 64.3% of the total state aid, is distributed by formula inversely proportional to local district wealth.

DEFINITIONS

Current Expense Fund - the fund used to account for the basic and routine operations of the LEA, comprised of the general fund and those special revenue funds available for general fund purposes. Expenditures in this fund are reported by expenditure category and object.

Debt Service Fund - the fund used to account for the systematic repayment of interest and principal on long-term general obligation debt and state loans. Although Maryland LEAs do not have the authority to issue bonds, they are required to report the share of county long-term debt acquired for LEA purposes.

Food Service Fund - the fund for reporting the operations of food service programs for children and adults, including operation of kitchen equipment, preparation of food, cleaning and storage of equipment, and food delivery.

Local Education Agency (LEA) - the entity created to provide educational services for constituents

Nonrevenue - funds that represent exchanges of property for cash or resources that incur future obligations. Examples are sale of equipment, net insurance recovery, sale of bonds, loans, and transfers of funds between or within LEAs .

School Construction Fund - the fund for recording all transactions relating to major school construction or remodeling projects.

Student Activities Fund - a fund used to account for the operations of student activities that are owned, operated, and managed by the student body under the guidance and/or direction of staff members or other adults.