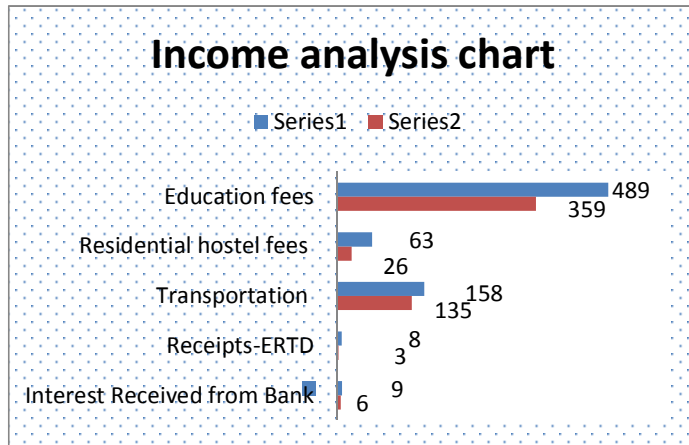




MATHAKONDAPALLI MODEL SCHOOL (CBSE)

Mathagondapalli-635 114

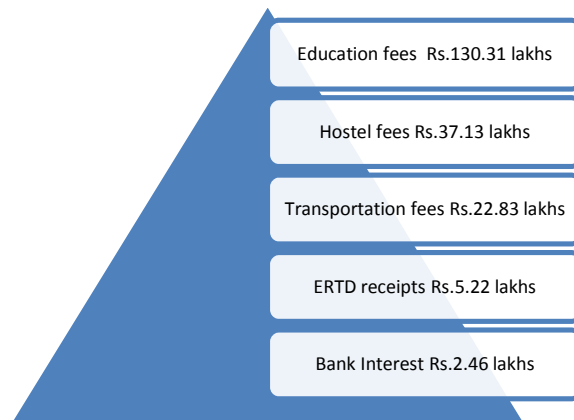
FINANCIAL STATUS OF SCHOOL 2015-16



RECEIPTS: From the Receipt and Payment accounts 2015-16, you can see that the receipts shows that we are moving towards self-sufficiency and it is increased by 197.98 lakhs during the year. The funds from TdH-NL was completely stopped in the year 2014-15 whereas the school mobilised to the tune of Rs.726.76 lakhs, through educational fees, hostel fees,

transportation fees and bank interest. It reflects that the self-sustainability through self-generated income though the margin is narrow without any surplus funds for development. Still the situation is critical for the school as the school fees are not collected on time.

Comparative analysis increased amount 2015-16



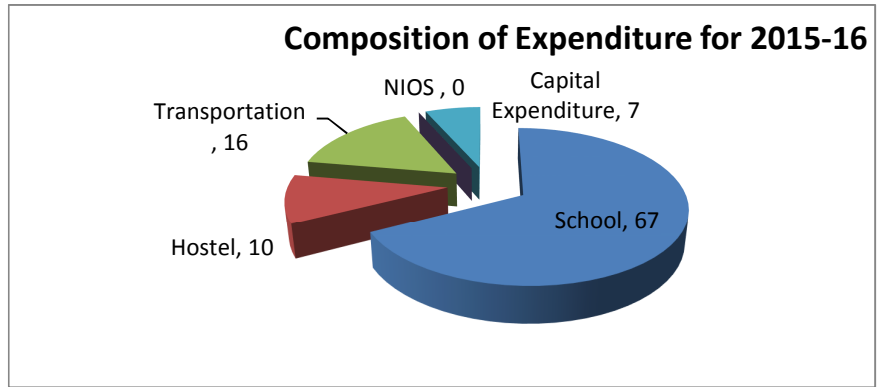
TOTAL RECEIPTS 2015-2016

PARTICULARS	31-03-2016	31-03-2015	Comparative analysis	
	Rs. (lakhs)		Rs. (lakhs)	%
Receipts from Education fees	489.30	358.99	130.31	36.30
Receipts from hostel fees	62.90	25.77	37.13	144.07
Receipts for Transportation	157.66	134.83	22.83	16.93
Receipts from ERTD	7.95	2.74	5.22	190.81
Receipts from NIOS	0.03	0.00	0.02	0.00
Interest Received from Bank	8.91	6.45	2.46	38.15
TOTAL	726.76	528.78	197.98	426.27

REVENUE & CAPITAL EXPENDITURE 2015-2016:

While comparing with the last year 2014-15, the expenses from school, hostel and transportation have increased by 13.48%, 117.86% and 19.75% respectively and the capital expenses have come down by 29.91%. However, the income proportion did not increase significantly to meet

the increased portion of expenses. Overall, the expense to income ratio has been increased by 6.71% which can be evidenced from the loan from Axis bank to meet our capital expenses of Rs.39.94 lakhs.



Due to inflation in cost, new admissions and staff appointments, our total operating expenses increased by 151.09% (Rs.125.20 lakhs) compared to previous financial year 2014-15.

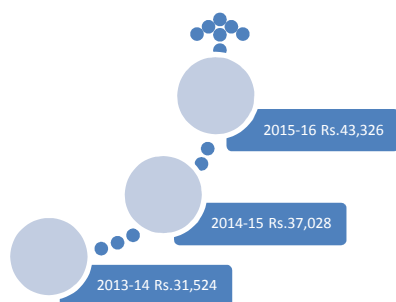
TOTAL REVENUE EXPENDITURE 2015-2016

PARTICULARS	31-03-2016	31-03-2015	Comparative analysis	
	Rs. (lakhs)		Rs. (lakhs)	%
School Expenses	523.38	461.20	62.18	13.48
Hostel expenses	79.38	36.43	42.94	117.86
Transportation expenses	121.50	101.46	20.04	19.75
National Institute of Open Schooling	0.04	0.00	0.04	0.00
Capital Expenditure	51.26	73.13	-21.88	-29.91
TOTAL	775.56	672.23	103.32	121.18

Unit Cost of Education

(Unit cost = total annual recurring expenditure (actual) divided by total number of students enrolled)

Year	No.of student	Total recurring expenditure	Unit cost
2013-14	1,183	3,72,92,666	31,524
2014-15	1,283	4,73,95,909	37,028
2015-16	1,208	5,23,38,027	43,326



The total expenditure for the year 2015-16 was Rs. 775.56 lakh including capital expenditure as compared to Rs. 672.23 lakh in 2014-15. This big increase in the unit cost of 121.18% is due to the following top 10 expenses. It would be appropriate to increase the academic fees for the next financial year based on our requirements and facilities.

S.No.	Particulars of expenses of Top Ten Items	2015-16	2014-15	% of Increase / (Decrease)	%
1	Staff salary	4 29 52 251	3 79 36 120	13.22%	64.47
2	Nutritious Food	82 31 840	47 58 872	72.98%	12.36
3	Vehicle Maintenance & fuel	60 39 808	50 88 381	18.70%	9.07
4	Housekeeping charges	22 89 749	16 41 258	39.51%	3.44
5	Purchase of teaching & learning materials	20 43 886	25 38 551	-19.49%	3.07
6	Electricity charges	16 23 778	15 55 868	4.36%	2.44
7	Security service charges	14 95 037	9 27 006	61.28%	2.24

8	Staff Health Insurance	6 53 826	5 06 907	28.98%	0.98
9	Water charges	6 47 070	8 10 049	-20.12%	0.97
10	Staff Seminar/Trainings	6 42 724	2 77 539	131.58%	0.96
	Total	6 66 19 969	5 60 40 551	18.88%	100

Salaries & benefits

The staff salary and other costs to the school was 64.47% from the total top 10 expenses. For the fiscal year 2015-16, the expenses of salaries and benefits rose by 13.22% (Rs.50.15 lakhs) from last year. Staff recruitment, retention and development are always a concern for us. Though the staffs were paid as per the salary scale of the school it is still to be

increased considering their performance. There are certain areas the non-productive and underperforming staffs are to be replaced. The performance appraisal is jointly done by the head of the unit and the staff. The following tables show the staff position and monetary benefits to the staff for the year 2015-16.

Staff Position as on 31st March 2016

Staff positions	Male	Female	Total
Teaching staff	30	64	94
Non-Teaching staff	14	4	18
Hostel Staff (including nurse)	6	3	9
Drivers & conductors	32	1	33
Sanitary worker	1	0	1
Gardeners	5	5	10
Total	88	77	165

Distribution of staff according to salary levels as on 31st March 2016

Slab of gross salary per month	Female staff	Male staff	Total staff
Less than 10,000	6	13	19
Rs. 10,001 to Rs.20,000	40	43	83
Rs.20,001 to Rs.25,000	20	16	36
Rs.25,001 to Rs.50,000	7	7	14
Rs.50,000 to Rs.60,000	3	5	8
Rs.60,001 and above	1	4	5
Total	77	88	165

Staff Provident Fund benefit plans

Particulars	As at 31-03-2016	As at 31-03-2015
Obligations at period beginning	143 staff	136 staff
Service cost for year	Rs. 25.41 lakhs	Rs. 29.66 lakhs
Benefits settled up to 31-03-2016	17 staff	25 staff
Obligations at period end	149 staff	143 staff

Gratuity Fund benefit Plans

Gratuity cost for the year	As at 31-03-2016	As at 31-03-2015
Obligations at period beginning	145 staff	155 staff
Service cost for the year	Rs.15.96 lakhs	Rs.7.39 lakhs
Interest cost received from LIC	Rs.4.49 lakhs	Rs.4.02 lakhs
Benefits settled during the year	(Rs.0.64 lakhs)	Nil
Net gratuity cost at period end	Rs.72.09 lakhs	Rs.52.28 lakhs

*100% of the above plan was maintained with Life Insurance Corporation of India

Leave Encashment benefit Plans

	As at 31-03-2016	As at 31-03-2015
Total Service cost	Rs.1,29,878	Rs.81,357

Staff Health Insurance:

Health Insurance for the year:	As at 31-03-2016	As at 31-03-2015
Obligations at period beginning	152 staff	138 staff
Service cost	Rs.6.54 lakhs	Rs.5.07 lakhs

Staff children Education fees concession:

Staff children concession for the year	As at 31-03-2016		As at 31-03-2015	
	No.of Staff	Amount	No.of Staff	Amount
Teaching staff	27	2,20,100	20	1,16,700
Non-Teaching staff	4	31,800	7	91,650
Hostel Staff (including nurse)	1	6,750	1	4,100
Drivers & conductors	4	1,93,900	5	1,13,000
Gardeners	2	60,200	4	1,10,600
Total	38	5,12,750	37	4,36,050



The **second** major expense was **food cost to students**. This constitutes **12.36%** of the total top ten expenses. The food expense also increased by **72.98%** compared to the previous year. Special menu is provided to Ozone football academy students and to the Special sport coaching programme students.

The **third** major expense was the **transportation cost**. This covers **9.07%** of total top ten expenses. The total cost of transportation and the maintenance of all vehicles amount to **Rs.60.40 lakhs**. It increased by **18.70%** from the last financial year 2014-15. This was due to increase in diesel cost and the vehicle

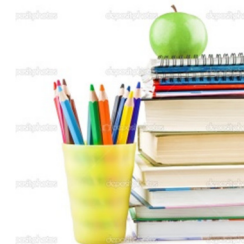


maintenance cost. The transport fee for our day scholar students was not increased for the last two years. However, we are, maintaining the vehicles expenses, transport staff salary and repayments of the vehicle loan well within the income.



The **fourth** major expense was **housekeeping** which amounts to **Rs.22.89 lakhs**. It increased by **39.51%** of total top ten expenses compared to the last year. This was due to the additional classrooms and special school.

The **fifth** major expense was for purchase of **learning and teaching materials**, which amounts to **Rs.20.44 lakhs**. This constitutes to **3.07%** of total top ten expenses. This expense was reduced by 19.49% compared to the last year. However, special focus was given to provide the learning materials to each and every student.



The **sixth** major expense was **electricity**. The cost of electricity was **Rs. 16.24 lakhs**. This constitutes **2.44%** of top ten expenses. Though more focus was given on effective utilisation of electrical and electronic items, it resulted in the increase of 4.36% compared to previous years because of the increased unit electricity tariff and UPS (24/7) usage for servers and other electronic equipment.



The **seventh** major expense was **security service** charges which was **Rs.14.95 lakhs**. This constitutes **2.24%** of the total top ten expenses marking an increase of **61.28%** when compared to the last year. The incremental cost was mainly due to increase in the manpower and their relative service cost within the school campus and for outside parking of school buses.

The **staff health insurance** cost increased by **28.98%** due to increase in the premium tariff of coverage amount from Rs.1 lakh to Rs.2 lakhs.



The staff seminar & training expenses increased by **131.58%** in order to equip the teachers to update themselves with the emerging trends in education and teaching methodology, regular in-service and on-the-job training.

Water charge was the only expense which reduced, by **20.12%** from the last year due to decrease in the number of hostel children though we are buying water from outside to make good of the shortage.



Legal obligations:

During the financial year all the legal obligations were fulfilled. The deductions under the income tax, professional tax and provident fund from the employees and the management contribution were duly remitted into the respective treasuries as per the law and procedures.

ASSETS & LIABILITES:



The fixed assets such as furniture, play equipment and buses were **Rs.2.34 lakhs**. Depreciation was provided using the written down value method over the estimated economic lives of the assets. The

rate of depreciation charged as follows:

Asset Name	%of Depreciation
Building	2.5%
Furniture, general equipment and play equipment	10%
Vehicles	20%

SECURED LOAN:

The school borrowed on a long-term basis from Axis Bank, Salem for purchase of school buses. The number of school buses which were on loan for the current year was two. The fair value of its debt obligations as on 31st March 2016 was **Rs.58.72 lakhs** compared to **Rs.47.65 lakhs** from last year.

Purpose of Loan	Size of Loan	Opening balance	Loan repaid	Balance 31-03-2016	Balance 31-03-2015
Vehicle Loan No.1 (for 4 Buses)	Rs. 68,40,000	Rs.47,65,096	Rs.23,85,164	Rs.23,79,932	Rs.47,65,096
Vehicle Loan No.2 (for 2 Buses)	Rs.39,94,000	Nil	Rs.5,02,028	Rs.34,91,972	Nil
Total		Rs.47,65,096	Rs.28,87,192	Rs.58,71,904	Rs.47,65,096

DEPOSITS:

The details of deposits can be seen in the schedule-15. CBSE reserve fund, staff gratuity fund, telephone and depreciation reserve fund is covered under this schedule.

I thank the members of the general body, the auditors, the senior staff, the parents of our student community, corporate friends and the bankers for their untiring support to me, as a Secretary and the person in charge of the project during the period.

Thank you all.

M.Meru
Hon. Secretary/Correspondent

August 13, 2016