The Board and the Budget
Oversight & Process

Lon Garrison - AASB
Dr. Mary Wegner - Superintendent, Sitka
What is fiduciary responsibility?
(Discuss with your elbow partner)

Fiduciary: adjective

Law. of or relating to the relation between a fiduciary and his or her principal:

a fiduciary capacity; a fiduciary duty.

based on, or in the nature of trust and confidence, as in public affairs:

a fiduciary obligation of government employees.
What is required of your Board?

- Approve an annual budget
- Regular **oversight** of the budget
- Approval of budget **adjustments**
- Approval of **purchases** and **transfers**
- **Accountability** to the public and the district
What is a budget?

• An estimate of Revenue & Expense
• A fiscal plan for you and your stakeholders
The Budget is:

Detail of all Revenue and Expenditures expected for a **future period of time**
The Budget is Dynamic

- Living, flexible management tool
- Based on best information at time of development
- Variance from original document is not necessarily negative
What is a informed oversight?

What is a micromanagement?
Budget Process?

• Check your Policy & bylaws for requirements
  – When must you submit to your district?

• City and Borough districts must submit budget to assembly by May 1st.
Budget timelines?

• Districts must submit a balanced budget to AK DEED no later than July 15

• District must submit to an annual audit of its budget
  – What do you know about your audit?
Budget Cycle

November
Winter Budget Revision

December
Budget Development

January
State Certifies October number
Begin Hearing Process

May / June
Final Adjustments

October
20 Day Count

July
Submit to State
Who are your Stakeholders?

- Parents and Students
- Staff
- Taxpayers
- District administrators
- School Board
- Cities and Boroughs
Sitka School District

Discovering potential, nurturing growth, and inspiring lifelong curiosity
School Board Goals Guide Process

Close the achievement gap for each demographic. Improve the positive response rates on the School Climate and Connectedness Survey in the areas of respectful climate, school safety, student involvement, and parent involvement.
Charting the Course to Student Success

School Board Goals
- School Initiatives
- Department Initiatives

Strategic Plan Action Research

Mission Statement
- Comprehensive Assessment System
- Arts, Culture, and Technology
- Multi-Tiered System of Support
- Social Emotional Learning
- Curriculum/Content Knowledge

Positive Behavior Programs
- Quality Tier I Instruction

Sitka Schools
Sitka’s Journey

- 2008-09: Board is public face of the Budget
- 2014-15: Board goal to revise Budget process
- 2017-18: New Budget process implemented
Regular Financial Reports

Ask your elbow partner if your reports are timely and understandable

- Monthly Reports to the board
- These reports are a snapshot in time
- Show monthly revenue/expenditure
- Understandable to all?
Financial Reports

What to look for

• Is the revenue side living up to expectations?
  – Revenue at or above projection?
  – Attendance rates at or above projection? State funding estimate still good?

• Are the expenditures following the budget?
  – Any significant variances between budget and actual revenues and expenditures?
# August 2017 Board Report

## Monthly Revenue Report

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Description</th>
<th>Current Budget</th>
<th>YTD Encum</th>
<th>YTD Revenues</th>
<th>Remaining Balance</th>
<th>Percent Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-100-000-000-000-011</td>
<td>CITY/BORO APPROPRIATION</td>
<td>6,183,762.00</td>
<td>0.00</td>
<td>1,024,088.84</td>
<td>5,159,673.16</td>
<td>83.44%</td>
</tr>
<tr>
<td>8-100-000-000-000-040</td>
<td>MISC. LOCAL REVENUE</td>
<td>30,000.00</td>
<td>0.00</td>
<td>2,445.56</td>
<td>27,554.44</td>
<td>91.85%</td>
</tr>
<tr>
<td>8-100-000-000-000-047</td>
<td>E-RATE REVENUE</td>
<td>135,000.00</td>
<td>0.00</td>
<td>0.00</td>
<td>135,000.00</td>
<td>100.00%</td>
</tr>
<tr>
<td>8-100-000-000-000-050</td>
<td>QUALITY SCHOOLS</td>
<td>43,506.00</td>
<td>0.00</td>
<td>0.00</td>
<td>43,506.00</td>
<td>100.00%</td>
</tr>
<tr>
<td>8-100-000-000-000-051</td>
<td>FOUNDATION</td>
<td>12,811,052.00</td>
<td>0.00</td>
<td>2,235,272.00</td>
<td>10,575,780.00</td>
<td>82.55%</td>
</tr>
<tr>
<td>8-100-000-000-000-090</td>
<td>MISC. STATE REVENUE</td>
<td>0.00</td>
<td>0.00</td>
<td>4,408.00</td>
<td>-4,408.00</td>
<td>#DIV/0</td>
</tr>
<tr>
<td>8-100-000-000-000-110</td>
<td>IMPACT AID</td>
<td>60,000.00</td>
<td>0.00</td>
<td>7,165.82</td>
<td>52,834.18</td>
<td>88.06%</td>
</tr>
<tr>
<td>8-100-000-000-000-250</td>
<td>FUND TRANSFER</td>
<td>1,247,642.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,247,642.00</td>
<td>100.00%</td>
</tr>
<tr>
<td>8-100-000-000-056-056</td>
<td>TRS ON-BEHALF</td>
<td>1,476,168.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,476,168.00</td>
<td>100.00%</td>
</tr>
<tr>
<td>8-100-000-000-057-057</td>
<td>PERS ON-BEHALF</td>
<td>107,589.00</td>
<td>0.00</td>
<td>0.00</td>
<td>107,589.00</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

|                      |                             | 22,094,719.00  | 0.00      | 3,273,380.22 | 18,821,338.70   |                     |

Revenue - Expenses Totals:

- **Revenue**: $22,094,719.00
- **Expenses**: $0.00
- **YTD Revenues**: $3,273,380.22
- **Remaining Balance**: $18,821,338.70

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*The State has required all Districts to recognize and report on their financial statements their portion of the TRS/PERS relief as passed by 2008 Legislature appropriation.*
### Monthly Expense Report

<table>
<thead>
<tr>
<th>Accounts Summarized By Function</th>
<th>Current Budget</th>
<th>YTD Encumbrance</th>
<th>YTD Expenditures</th>
<th>Remaining Balance</th>
<th>Percent Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 - REGULAR INSTRUCTION</td>
<td>9,447,887.99</td>
<td>115,743.99</td>
<td>674,653.71</td>
<td>8,657,490.29</td>
<td>91.63%</td>
</tr>
<tr>
<td>120 - BILINGUAL/BICULTURAL</td>
<td>223,098.30</td>
<td>0.00</td>
<td>8,985.39</td>
<td>214,112.91</td>
<td>95.97%</td>
</tr>
<tr>
<td>130 - ENRICHMENT</td>
<td>92,822.37</td>
<td>0.00</td>
<td>4,348.13</td>
<td>88,474.24</td>
<td>95.32%</td>
</tr>
<tr>
<td>140 - CORRESPONDENCE STUDY</td>
<td>173,029.92</td>
<td>80.00</td>
<td>7,439.69</td>
<td>165,510.23</td>
<td>95.65%</td>
</tr>
<tr>
<td>160 - VOCATIONAL EDUCATION</td>
<td>336,066.32</td>
<td>9,055.14</td>
<td>21,854.82</td>
<td>305,156.36</td>
<td>90.80%</td>
</tr>
<tr>
<td>200 - SPECIAL ED INSTRUCTION</td>
<td>4,084,381.90</td>
<td>4,605.04</td>
<td>229,485.16</td>
<td>3,850,291.70</td>
<td>94.27%</td>
</tr>
<tr>
<td>220 - SPECIAL ED SUPPORT</td>
<td>731,671.79</td>
<td>267,704.75</td>
<td>35,252.84</td>
<td>428,714.20</td>
<td>58.59%</td>
</tr>
<tr>
<td>300 - PUPIL SUPPORT</td>
<td>177,121.55</td>
<td>1,500.00</td>
<td>7,346.53</td>
<td>168,275.02</td>
<td>95.01%</td>
</tr>
<tr>
<td>320 - GUIDANCE</td>
<td>472,028.66</td>
<td>0.00</td>
<td>20,255.58</td>
<td>451,773.08</td>
<td>95.71%</td>
</tr>
<tr>
<td>330 - HEALTH SERVICES</td>
<td>175,244.25</td>
<td>434.40</td>
<td>4,766.76</td>
<td>170,477.19</td>
<td>94.64%</td>
</tr>
<tr>
<td>350 - SUPPORT SERVICES</td>
<td>269,795.00</td>
<td>217,354.85</td>
<td>22,653.03</td>
<td>45,790.12</td>
<td>11.04%</td>
</tr>
<tr>
<td>351 - IMPROVEMENT INSTRUCTION</td>
<td>3,000.00</td>
<td>0.00</td>
<td>3,000.00</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>352 - LIBRARY SERVICE</td>
<td>409,933.99</td>
<td>0.00</td>
<td>18,577.61</td>
<td>391,356.38</td>
<td>95.47%</td>
</tr>
<tr>
<td>400 - SCHOOL ADMINISTRATION</td>
<td>1,254,640.97</td>
<td>21,009.83</td>
<td>90,712.13</td>
<td>1,142,919.01</td>
<td>91.10%</td>
</tr>
<tr>
<td>450 - SCHOOL ADMIN. SERVICES</td>
<td>665,050.22</td>
<td>0.00</td>
<td>54,050.55</td>
<td>610,999.67</td>
<td>91.87%</td>
</tr>
<tr>
<td>510 - DISTRICT ADMINISTRATION</td>
<td>194,203.15</td>
<td>19,797.99</td>
<td>37,474.04</td>
<td>136,931.12</td>
<td>70.51%</td>
</tr>
<tr>
<td>511 - SCHOOL BOARD</td>
<td>51,137.40</td>
<td>14,784.55</td>
<td>70,730.78</td>
<td>30,396.92</td>
<td>69.05%</td>
</tr>
<tr>
<td>512 - SUPERINTENDENT'S OFFICE</td>
<td>431,836.20</td>
<td>3,087.65</td>
<td>70,357.18</td>
<td>351,479.02</td>
<td>82.99%</td>
</tr>
<tr>
<td>518 - SAFETY AND SECURITY</td>
<td>2,000.00</td>
<td>0.00</td>
<td>2,000.00</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td>550 - DISTRICT ADMIN. SUPPORT</td>
<td>298,119.66</td>
<td>2,786.08</td>
<td>83,630.13</td>
<td>214,489.53</td>
<td>71.01%</td>
</tr>
<tr>
<td>555 - DATA PROCESSING SERVICES</td>
<td>63,370.96</td>
<td>0.00</td>
<td>5,170.51</td>
<td>58,200.45</td>
<td>91.84%</td>
</tr>
<tr>
<td>556 - TECHNOLOGY SERVICE</td>
<td>364,221.64</td>
<td>10,234.58</td>
<td>111,286.31</td>
<td>242,700.75</td>
<td>66.64%</td>
</tr>
<tr>
<td>600 - MAINTENANCE/OPERATIONS</td>
<td>1,994,887.41</td>
<td>609,022.26</td>
<td>313,183.62</td>
<td>1,072,681.53</td>
<td>53.77%</td>
</tr>
<tr>
<td>700 - STUDENT ACTIVITIES</td>
<td>252,018.31</td>
<td>105,635.00</td>
<td>4,980.00</td>
<td>141,403.31</td>
<td>56.11%</td>
</tr>
<tr>
<td>780 - COMMUNITY SERVICES</td>
<td>5,468.00</td>
<td>0.00</td>
<td>5,468.00</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Report Total**

<table>
<thead>
<tr>
<th>Current Budget</th>
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<th>Percent Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>22,094,719.00</td>
<td>1,402,836.11</td>
<td>1,827,498.70</td>
<td>18,864,384.19</td>
<td></td>
</tr>
</tbody>
</table>

**Revenue - Expenses Totals:** 1,445,881.52

*The State has required all Districts to recognize and report on their financial statements their portion of the TRS/PERS relief as passed by 2008 Legislature appropriation.*
Budget Adjustment?

- Initiated by the superintendent and require the approval of the board.
- Usually occurs about twice per year (mid year, end of year)
Budget Adjustment?

• Best estimate at the time

• An adjustment is a change to a previously approved budgeted amount
Annual Audit

• What is it?
• Required?
• Best practice?
• For who is it intended?
Annual Audit

- Snap shot - data & practices
- Budget to Actual
  - General Fund
  - Special Revenue Fund(s)
  - Capital Project Fund
- Management letter
  - Findings – material vs. significant
- Fund Balance
Questions

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