

# **The Board and the Budget Oversight & Process**

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# 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?**



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# 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 1<sup>st</sup>.

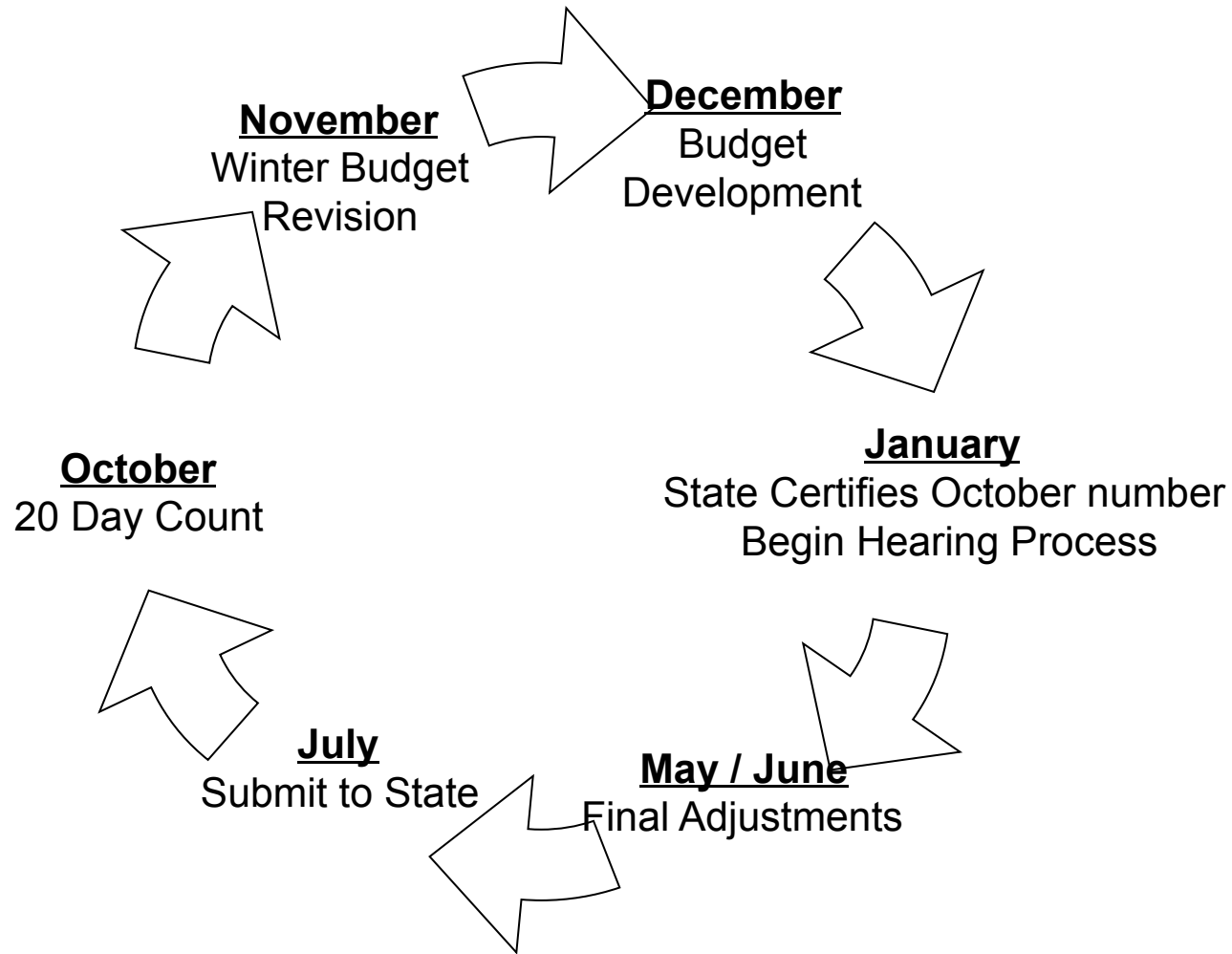




# Budget timelines?

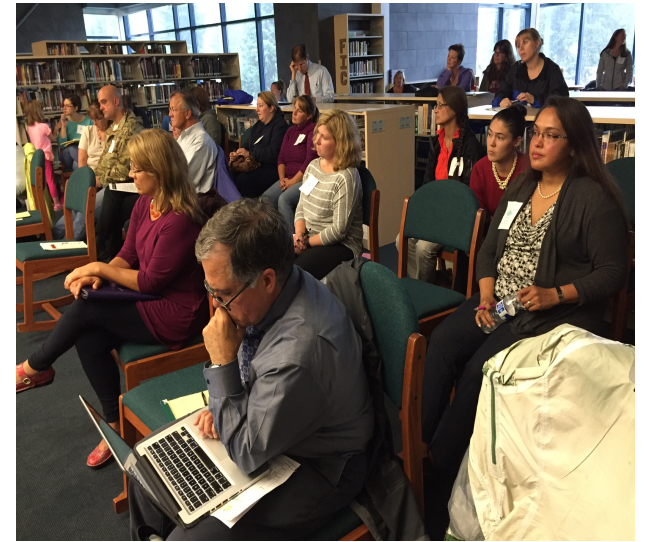
- **Districts must submit a balanced budget to AK DEED no later than July 15**
- **District must submit to an annual audit of its budget**
  - **What do you know about your audit?**

# Budget Cycle



# Who are your Stakeholders?

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



# Sitka School District



# SITKA

SCHOOL DISTRICT

DISCOVER | NURTURE | INSPIRE

Discovering potential,  
nurturing growth, and  
inspiring lifelong curiosity



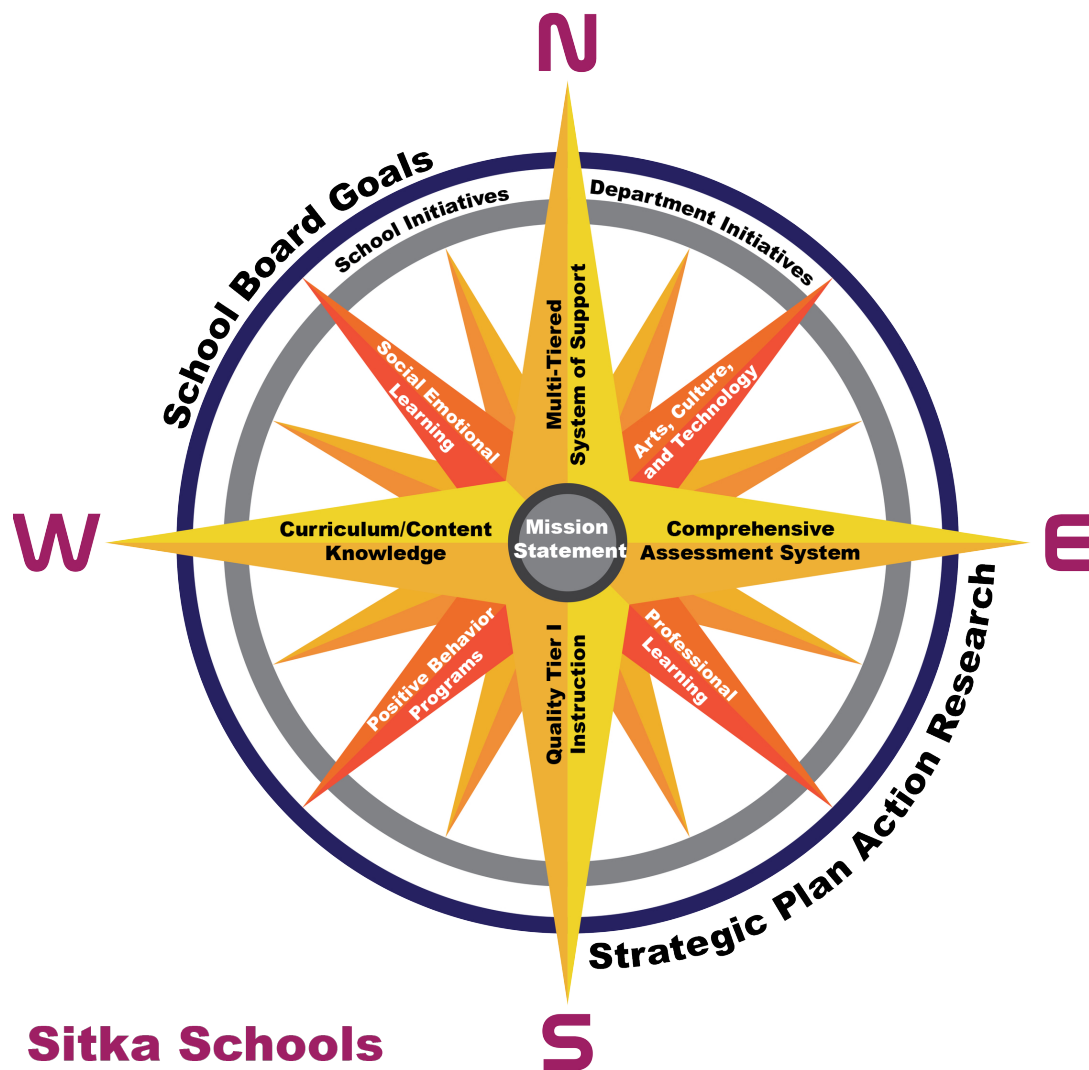
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# School Board Goals Guide Process

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



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# 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

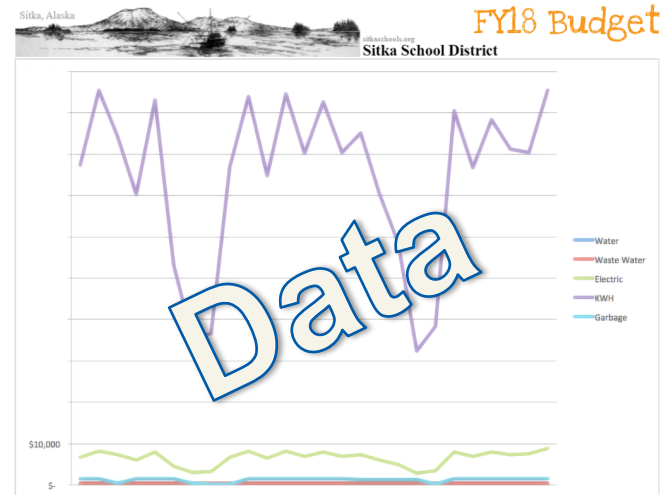
## SCHOOL INITIATIVES

### Baranof Elementary School

- Continue to build our Language Arts multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.
- Continue to build our Math multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.

### Keet Gooshi Heen Elementary School

- Continue to build our Language Arts multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.
- Continue to build our Math multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.



# 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

Account No	Account Description	Current Budget	YTD Encum	YTD Revenues	Remaining Balance	Percent Outstanding
8-100-000-000-000-011	CITY/BORO APPROPRIATION	6,183,762.00	0.00	1,024,088.84	5,159,673.16	83.44%
8-100-000-000-000-040	MISC. LOCAL REVENUE	30,000.00	0.00	2,445.56	27,554.44	91.85%
8-100-000-000-000-047	E-RATE REVENUE	135,000.00	0.00	0.00	135,000.00	100.00%
8-100-000-000-000-050	QUALITY SCHOOLS	43,506.00	0.00	0.00	43,506.00	100.00%
8-100-000-000-000-051	FOUNDATION	12,811,052.00	0.00	2,235,272.00	10,575,780.00	82.55%
8-100-000-000-000-090	MISC. STATE REVENUE	0.00	0.00	4,408.00	-4,408.00	#DIV/0
8-100-000-000-000-110	IMPACT AID	60,000.00	0.00	7,165.82	52,834.18	88.06%
8-100-000-000-000-250	FUND TRANSFER	1,247,642.00	0.00	0.00	1,247,642.00	100.00%
8-100-000-000-056-056	TRS ON-BEHALF	1,476,168.00	0.00	0.00	1,476,168.00	100.00%
8-100-000-000-057-057	PERS ON-BEHALF	107,589.00	0.00	0.00	107,589.00	100.00%
<b>Report Total</b>		<b>22,094,719.00</b>	<b>0.00</b>	<b>3,273,380.22</b>	<b>18,821,338.70</b>	



## Monthly Expense Report

Accounts Summarized By Function	Current Budget	YTD Encumbrance	YTD Expenditures	Remaining Balance	Percent Available
100 - REGULAR INSTRUCTION	9,447,887.99	115,743.99	674,653.71	8,657,490.29	91.63%
120 - BILINGUAL/BICULTURAL	223,098.30	0.00	8,985.39	214,112.91	95.97%
130 - ENRICHMENT	92,822.37	0.00	4,348.13	88,474.24	95.32%
140 - CORRESPONDENCE STUDY	173,029.92	80.00	7,439.69	165,510.23	95.65%
160 - VOCATIONAL EDUCATION	336,066.32	9,055.14	21,854.82	305,156.36	90.80%
200 - SPECIAL ED INSTRUCTION	4,084,381.90	4,605.04	229,485.16	3,850,291.70	94.27%
220 - SPECIAL ED SUPPORT	731,671.79	267,704.75	35,252.84	428,714.20	58.59%
300 - PUPIL SUPPORT	177,121.55	1,500.00	7,346.53	168,275.02	95.01%
320 - GUIDANCE	472,028.66	0.00	20,255.58	451,773.08	95.71%
330 - HEALTH SERVICES	96,929.29	434.40	4,756.76	91,738.13	94.64%
350 - SUPPORT SERVICES	269,793.00	217,354.85	22,653.03	29,785.12	11.04%
351 - IMPROVEMENT INSTRUCTION	3,000.00	0.00	0.00	3,000.00	100.00%
352 - LIBRARY SERVICE	409,933.99	0.00	18,577.61	391,356.38	95.47%
400 - SCHOOL ADMINISTRATION	1,254,640.97	21,009.83	90,712.13	1,142,919.01	91.10%
450 - SCHOOL ADMIN. SERVICES	665,050.22	0.00	54,050.55	610,999.67	91.87%
510 - DISTRICT ADMINISTRATION	194,203.15	19,797.99	37,474.04	136,931.12	70.51%
511 - SCHOOL BOARD	51,137.40	14,784.55	1,044.98	35,307.87	69.05%
512 - SUPERINTENDENT'S OFFICE	431,836.20	3,087.65	70,357.18	358,391.37	82.99%
518 - SAFETY AND SECURITY	2,000.00	0.00	0.00	2,000.00	100.00%
550 - DISTRICT ADMIN. SUPPORT	298,119.66	2,786.08	83,630.13	211,703.45	71.01%
555 - DATA PROCESSING SERVICES	63,370.96	0.00	5,170.51	58,200.45	91.84%
556 - TECHNOLOGY SERVICE	364,221.64	10,234.58	111,286.31	242,700.75	66.64%
600 - MAINTENANCE/OPERATIONS	1,994,887.41	609,022.26	313,183.62	1,072,681.53	53.77%
700 - STUDENT ACTIVITIES	252,018.31	105,635.00	4,980.00	141,403.31	56.11%
780 - COMMUNITY SERVICES	5,468.00	0.00	0.00	5,468.00	100.00%
<b>Report Total</b>	<b>22,094,719.00</b>	<b>1,402,836.11</b>	<b>1,827,498.70</b>	<b>18,864,384.19</b>	
<b>Revenue - Expenses</b>	<b>Totals: 1,445,881.52</b>				

\*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.



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# 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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