Reading & Understanding Reports on Monthly Payments & Transfers to the Budget

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What is a Budget?

- A budget represents a plan of how money will be spent.
- City and Borough districts must submit budget to assembly for approval of local amount by May 1st.
- District must submit a balanced budget to EED NLT July 15.
- District must submit to an annual audit of its budget.
Budget

Details all Revenue and Expenditures for a future period of time

Dynamic
Budget is a Dynamic Document

- Living, flexible management tool
- Based on best information at time of development
- Variance from original document not necessarily negative
Stakeholders in the Budget

- District administrators
- Taxpayers
- Parent/Children
- Board members
- Cities and Boroughs
- Alaska Department of Education
Budget Cycle

November
Winter Budget Revision

December
Budget Development

January
State Certifies October number
Begin Hearing Process

May / June
Final Adjustments

July
Submit to State

October
20 Day Count
A Budget Adjustment is used to adjust or change a budgeted amount in the General Ledger. Budgeted funds are estimated expense and revenue amounts created at the beginning of the year by the District Budget Office.

They are not “actual” amounts spent or received. The budgeted funds are amounts assigned to a particular program purpose and object code.

Budget adjustments are initiated by the District staff and require the approval of the School Board.
Monthly Financial Reports

- Your Finance/Business Office will submit monthly Reports to the School Board.
- These reports are a snapshot in time
- Reports will show monthly revenue/expenditure
- A school district budget must follow the outline required by Regulation (Alaska 2014 Uniform Chart of Accounts)
Alaska Chart of Accounts

- Required elements must be used (i.e., fund, function, object) although the school districts may also use the optional elements (program and school/location) for expense.

- Required elements for revenue are fund and object.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Function</th>
<th>Object</th>
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Monthly 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?
Annual Audit

- Budget to Actual
  - General Fund
  - Special Revenue Fund(s)
  - Capital Project Fund

- Management letter

- Fund Balance
Fund Balance GASB 54

Establishes 5 categories

- Nonspendable
- Restricted
- Committed
- Assigned
- Unassigned
A financial goal of the District shall be to have a sufficient balance in the operating fund to be able to maintain fiscal independence in case of a financial need or crisis. The District shall strive to maintain a yearly unreserved/undesignated fund balance of 8-10 percent of the total operating expenditures.
Questions