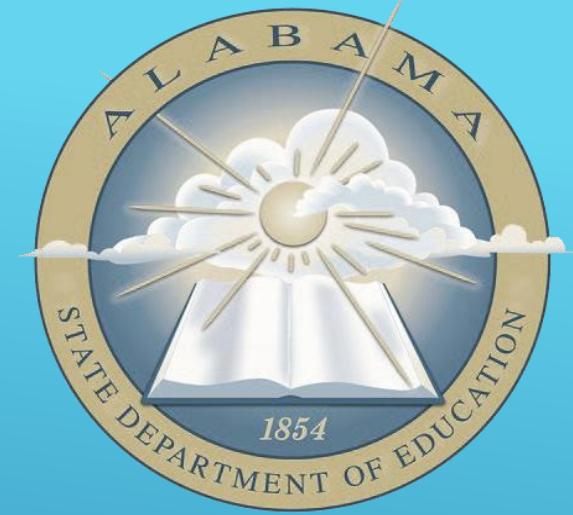
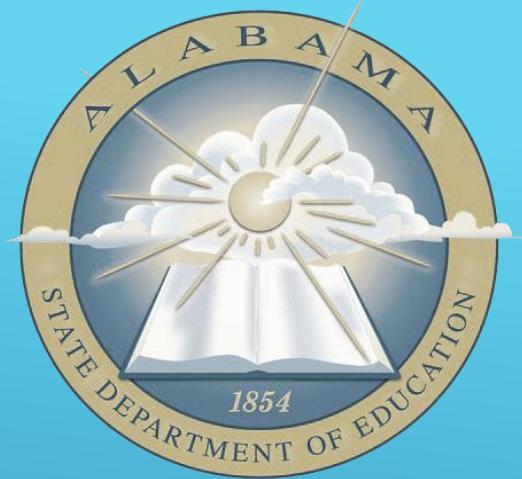


AVOIDING FINANCIAL CLIFFS

Arthur Watts, Jr.
Deputy State Superintendent
Administration and Finance
Alabama State Department of Education

AVOIDING THE....





WHO IS FISCALLY RESPONSIBLE????

- ~ LOCAL BOARD OF EDUCATION
- ~ LOCAL SUPERINTENDENT
- ~ CSFO
- ~ COMMUNITY



SIGNS THAT A FINANCIAL CRISIS IS AHEAD





FISCAL MANAGEMENT POLICIES

A local board of education, to ensure the sound fiscal management of board finances, upon the recommendation of the local superintendent of education, shall adopt fiscal management policies which comply with generally accepted accounting principles, including, but not limited to, policies related to each of the following:

- (1) Regular reconciliation of bank statements.
- (2) Maintenance of fixed assets inventory.
- (3) Deposit of incoming funds.
- (4) Review of monthly revenues and expenditures.



CONDITIONS LEADING TO A FINANCIAL CLIFF

- DISTRICT NOT PRESENTING OR SUBMITTING BUDGETS IN A TIMELY MANNER AS REQUIRED BY STATE LAW
- MONTHLY FINANCIAL STATEMENTS NOT BEING PROVIDED TO THE SUPERINTENDENT AND LOCAL SCHOOL BOARD IN A TIMELY MANNER TO MAKE EFFECTIVE FINANCIAL DECISIONS
- ONE-MONTH MINIMUM OPERATING RESERVE NOT BEING MET
- FINANCIAL FEEDBACK NOT BEING PROVIDED TO DEPARTMENT HEADS AND PRINCIPALS REGARDING THEIR BUDGETS
- CONTRACTUAL SERVICES AND OTHER PURCHASES NOT BEING REVIEWED OR DISCUSSED BEFORE IMPLEMENTATION



CONDITIONS LEADING TO A FINANCIAL CLIFF

- DISTRICT MAINTAINING AN EXCESS NUMBER OF FACILITIES RELATIVE TO STUDENT POPULATION & STAFF SUCH AS SCHOOL BUILDINGS, CENTRAL OFFICE LOCATIONS, & OTHER PROPERTIES
- DISTRICT NOT MONITORING STAFFING AS IT RELATES TO STATE, FEDERAL & LOCAL FUNDING
- DISTRICT NOT EFFECTIVELY UTILIZING FEDERAL FUNDS IN A CONSTRUCTIVE AND STRATEGIC MANNER



ANALYSIS OF REVENUES

	BUDGET	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	% of Actual to Budget	
								ACTUAL YTD	FY 2021
								FY 2021	FY 2021
REVENUE ~ GENF									
Cash Inflows:									
State sources	\$ 164,620,809.00	\$ 14,559,614.00	\$ 13,509,669.18	\$ 13,472,928.00	\$ 13,827,829.08	\$ 14,601,255.50	\$ 14,215,346.00	\$ 84,186,641.76	51.14%
Federal sources	\$ 286,000.00	\$ 480.00	\$ 30,262.47	\$ 25,995.57	\$ 25,715.07	\$ 26,603.07	\$ 26,959.49	\$ 136,015.67	47.56%
Local sources	\$ 56,242,620.00	\$ 2,706,878.63	\$ 3,449,147.59	\$ 8,942,968.54	\$ 19,324,424.74	\$ 3,671,648.79	\$ 3,079,206.61	\$ 41,174,274.90	73.21%
Other financing sources	\$ 3,375,651.98	\$ 111,735.49	\$ 58,108.21	\$ 863,958.33	\$ 649,190.43	\$ 119,848.74	\$ 774,841.46	\$ 2,577,682.66	76.36%
Total cash inflows	\$ 224,525,080.98	\$ 17,378,708.12	\$ 17,047,187.45	\$ 23,305,850.44	\$ 33,827,159.32	\$ 18,419,356.10	\$ 18,096,353.56	\$ 128,074,614.99	57.04%

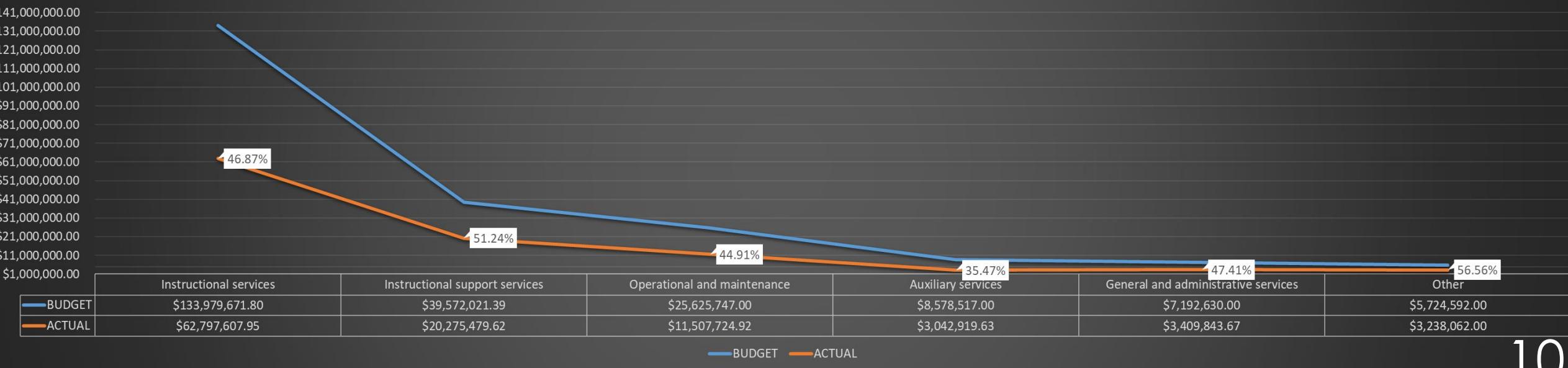
SIX MONTH GENERAL FUND REVENUE TREND



ANALYSIS OF EXPENDITURES

	BUDGET	OCTOBER							NOVEMBER							DECEMBER							JANUARY							ACTUAL YTD			% of Actual to Budget																					
		FY 2021			FY 2021			FY 2021			FY 2021			FY 2021			FY 2021			FY 2021			FY 2021			FY 2021																												
																										FY 2021																												
EXPENDITURES ~ GENF																																																						
Cash Outflows:																																																						
Instructional services	\$ 133,979,671.80	\$ 10,416,894.04	\$ 10,411,449.11	\$ 10,867,238.42	\$ 10,326,427.32	\$ 10,137,243.82	\$ 10,638,355.24	\$ 62,797,607.95	46.87%																																													
Instructional support services	\$ 39,572,021.39	\$ 2,926,661.60	\$ 2,731,092.86	\$ 4,918,229.78	\$ 3,182,884.32	\$ 3,252,666.73	\$ 3,263,944.33	\$ 20,275,479.62	51.24%																																													
Operational and maintenance	\$ 25,625,747.00	\$ 1,826,880.36	\$ 1,327,329.28	\$ 1,899,127.26	\$ 1,959,808.11	\$ 1,881,748.87	\$ 2,612,831.04	\$ 11,507,724.92	44.91%																																													
Auxiliary services	\$ 8,578,517.00	\$ 448,418.58	\$ 574,117.27	\$ 592,195.46	\$ 448,525.86	\$ 567,816.05	\$ 411,846.41	\$ 3,042,919.63	35.47%																																													
General and administrative services	\$ 7,192,630.00	\$ 582,603.82	\$ 680,235.02	\$ 549,055.71	\$ 502,391.08	\$ 470,082.33	\$ 625,475.71	\$ 3,409,843.67	47.41%																																													
Other	\$ 5,724,592.00	\$ 488,142.36	\$ 265,527.49	\$ 319,389.22	\$ 1,610,486.79	\$ 256,986.98	\$ 297,529.16	\$ 3,238,062.00	56.56%																																													
Total cash outflows	\$ 220,673,179.19	\$ 16,689,600.76	\$ 15,989,751.03	\$ 19,145,235.85	\$ 18,030,523.48	\$ 16,566,544.78	\$ 17,849,981.89	\$ 104,271,637.79	47.25%																																													

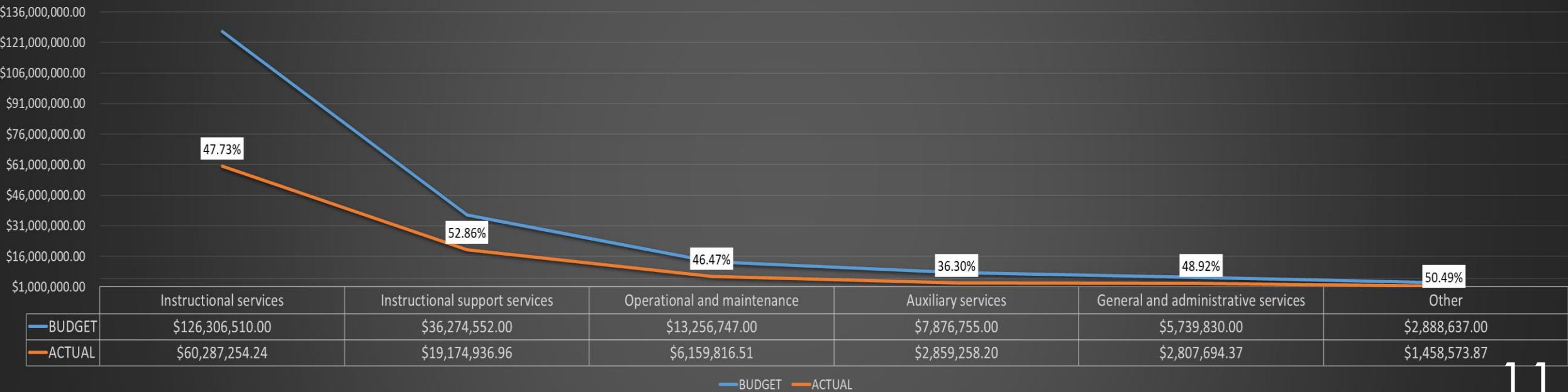
GENERAL FUND OUTFLOWS/EXPENDITURES - % OF BUDGET



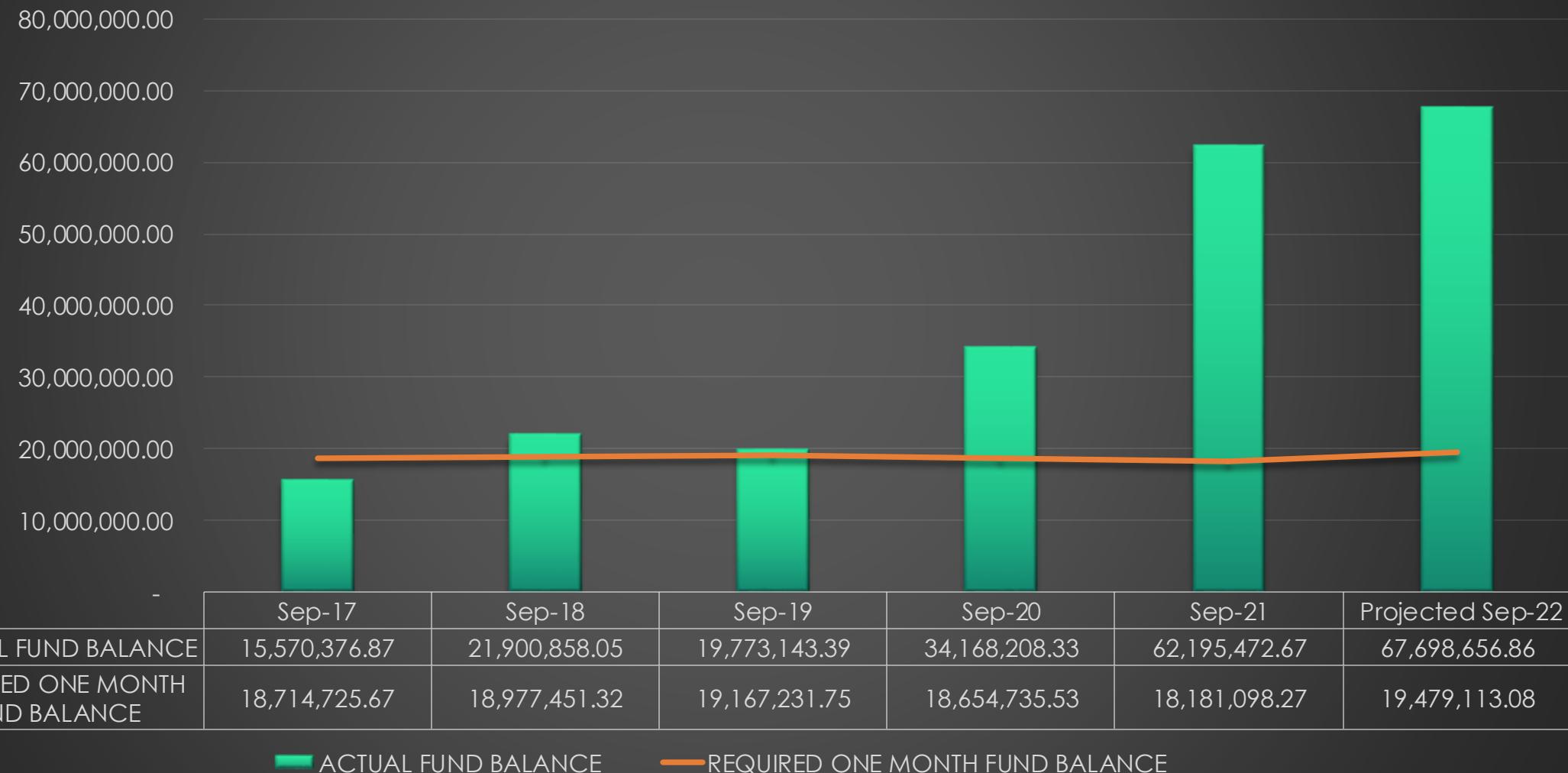
GENERAL FUND SALARIES AND BENEFITS

	BUDGET	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	ACTUAL YTD	% of Actual to Budget
	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2021</u>		
SALARIES AND BENEFITS--FOR GENERAL FUND									
Cash Outflows:									
Instructional services	\$ 126,306,510.00	\$ 10,070,814.96	\$ 9,984,686.61	\$ 10,404,970.47	\$ 9,890,788.97	\$ 9,826,949.42	\$ 10,109,043.81	\$ 60,287,254.24	47.73%
Instructional support services	\$ 36,274,552.00	\$ 2,813,965.06	\$ 2,662,555.43	\$ 4,702,054.14	\$ 2,987,269.37	\$ 3,030,262.25	\$ 2,978,830.71	\$ 19,174,936.96	52.86%
Operational and maintenance	\$ 13,256,747.00	\$ 1,034,284.04	\$ 1,053,022.09	\$ 1,035,933.13	\$ 1,028,097.31	\$ 1,019,319.76	\$ 989,160.18	\$ 6,159,816.51	46.47%
Auxiliary services	\$ 7,876,755.00	\$ 421,091.03	\$ 529,080.89	\$ 552,878.83	\$ 438,113.02	\$ 520,510.38	\$ 397,584.05	\$ 2,859,258.20	36.30%
General and administrative services	\$ 5,739,830.00	\$ 464,150.56	\$ 462,151.47	\$ 466,173.31	\$ 466,970.68	\$ 460,432.16	\$ 487,816.19	\$ 2,807,694.37	48.92%
Other	\$ 2,888,637.00	\$ 242,320.17	\$ 240,229.05	\$ 246,009.35	\$ 241,337.35	\$ 242,017.93	\$ 246,660.02	\$ 1,458,573.87	50.49%
Total Cash Outflows(Salaries & Benefits)	\$ 192,343,031.00	\$ 15,046,625.82	\$ 14,931,725.54	\$ 17,408,019.23	\$ 15,052,576.70	\$ 15,099,491.90	\$ 15,209,094.96	\$ 92,747,534.15	48.22%

GENERAL FUND SALARIES AND BENEFITS - % OF BUDGET



GENERAL FUND BALANCE ANALYSIS



FOOD FOR THOUGHT...





ALSDE FINANCIAL TIMELINES



BUDGET SUBMISSION DATES

► **Original Budget ~ Due September 15th**

- **Nov 1** ~ Deputy Superintendent contacts CSFO (copies to Superintendent & ALSDE staff)
- **Dec 1** ~ State Superintendent send formal letter to LEA Superintendent (copies to LEA Board President, CSFO and ALSDE staff)
- **Jan 15** ~ State Superintendent sends formal letter to LEA Superintendent and all LEA Board Members, CSFO and ALSDE staff
- **Mar 1** ~ Attend required meeting in Montgomery with State Superintendent. Meeting shall include LEA Superintendent, all LEA Board Members, CSFO, and ALSDE staff



FINANCIAL STATEMENT SUBMISSION DATES

► **Financial Statement ~ Due November 1st**

► *(Accepted only after Final Budget Amendment is approved)*

- **Dec 1** ~ Deputy Superintendent contacts CSFO (email LEA Superintendent and ALSDE staff)
- **Jan 15** ~ State Superintendent sends formal letter to LEA Superintendent (copies to LEA Board President, CSFO and ALSDE staff)
- **Mar 1** ~ State Superintendent sends formal letter to LEA Superintendent and all LEA Board Members, CSFO and ALSDE staff
- **Apr 15** ~ Attend required meeting in Montgomery with State Superintendent. Meeting shall include LEA Superintendent, all LEA Board Members, CSFO, and ALSDE staff

BUDGET AMENDMENT SUBMISSION DATES

- ▶ **Final Budget Amendment ~ June 15th**
 - ▶ *(e-Gap Applications must be LEA Superintendent Approved)*

Jul 15 ~ Deputy Superintendent contacts CSFO (email LEA Superintendent and ALSDE staff)

Aug 15 ~ State Superintendent sends formal letter to LEA Superintendent (copies to LEA Board President, CSFO and ALSDE staff)

Sep 15 ~ State Superintendent sends formal letter to LEA Superintendent and all LEA Board Members, CSFO and ALSDE staff

Nov 15 ~ Attend required meeting in Montgomery with State Superintendent. Meeting shall include LEA Superintendent, all LEA Board Members, CSFO, and ALSDE staff

Jan 1 ~ Withholding of funds until amendment is approved

CONSIDERATIONS

- ~ Systems Down (AIMS or Nextgen)
- ~ District without CSFO
- ~ **Federal Application not Approved** (*e-Gap Applications must be LEA Superintendent Approved*)
- ~ **Unforeseen Circumstances that have been communicated to LEA Accounting** (*Natural Disaster, etc.*)

