

# EFFECTIVE FISCAL GOVERNANCE

---

Kim McPherson, C.P.A.

K12 Financial Consultant  
Criterion Consulting, L.L.C.

# OVERVIEW

- Fund Accounting
- Revenue Sources
- Expenditures by Function
- Sample Reports
- Q&A

## STATE OF ALABAMA

Exhibit F-II-A

For Fiscal Year Ended September 30, 2015

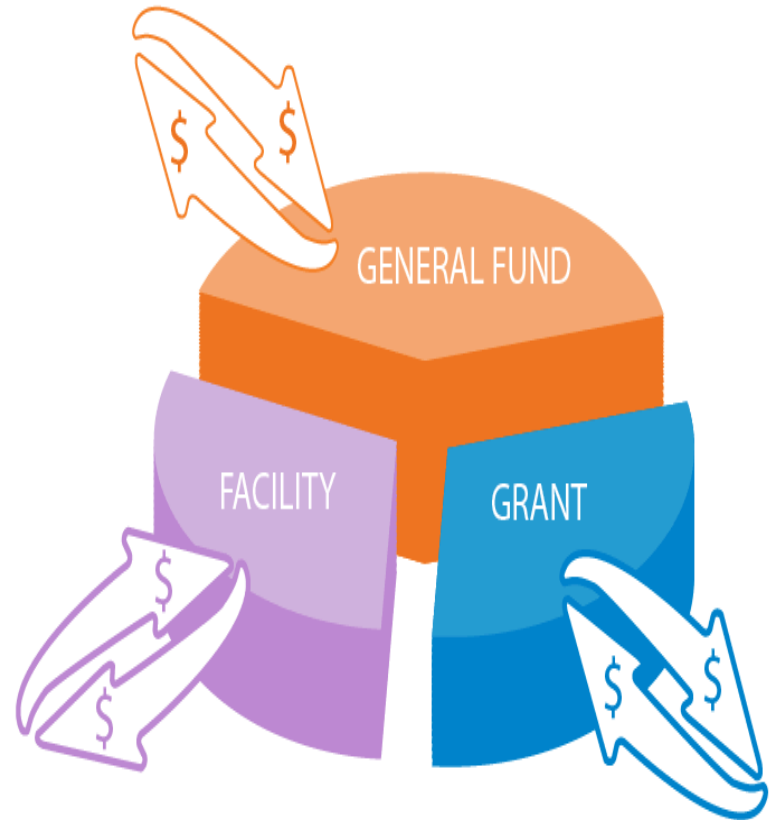
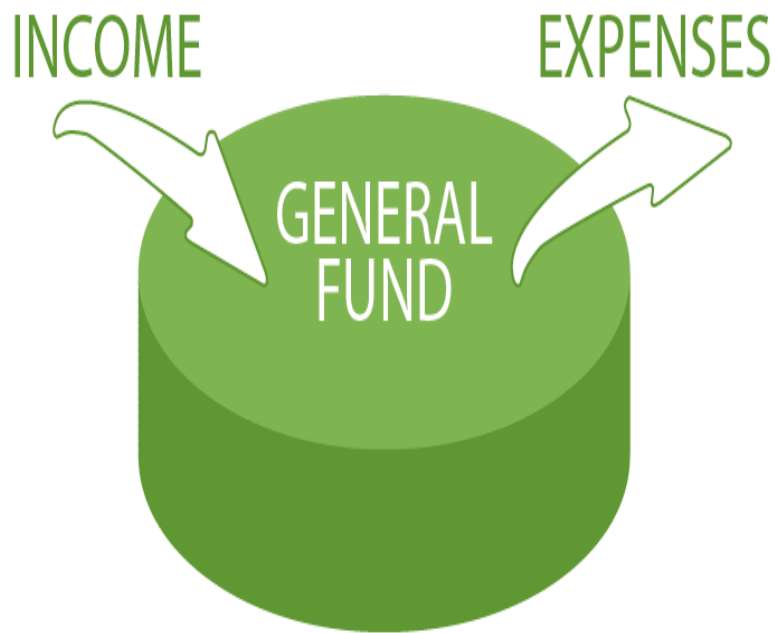
000 - ABC Schools

	GOVERNMENTAL			FIDUCIARY		Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues</b>						
State Sources	\$8,066,448.21	\$0.00	\$27,074.74	\$342,405.26	\$0.00	\$8,435,928.21
Federal Sources	\$8,214.19	\$1,464,148.22	\$0.00	\$0.00	\$0.00	\$1,472,362.41
Local Sources	\$3,118,579.96	\$695,796.33	\$174,282.22	\$4,930,916.25	\$189,292.28	\$9,108,867.04
Other Sources	\$0.00	\$49,302.54	\$0.00	\$0.00	\$0.00	\$49,302.54
<b>Total Revenues:</b>	<b>\$11,193,242.36</b>	<b>\$2,209,247.09</b>	<b>\$201,356.96</b>	<b>\$5,273,321.51</b>	<b>\$189,292.28</b>	<b>\$19,066,460.20</b>
<b>Expenditures</b>						
Instructional Services	\$6,887,541.85	\$859,940.21	\$0.00	\$0.00	\$122,337.83	\$7,869,819.89
Instructional Support Services	\$2,284,016.34	\$204,028.87	\$0.00	\$0.00	\$4,798.49	\$2,492,843.70
Operation & Maintenance Services	\$797,302.19	\$7,225.00	\$0.00	\$132,470.00	\$1,211.00	\$938,208.19
Auxiliary Services	\$607,760.47	\$1,089,938.25	\$0.00	\$0.00	\$13,083.71	\$1,710,782.43
General Administrative Services	\$548,381.08	\$71,634.96	\$0.00	\$0.00	\$0.00	\$620,016.04
Capital Outlay	\$0.00	\$0.00	\$0.00	\$4,918,943.79	\$0.00	\$4,918,943.79
Debt Service	\$344,134.12	\$0.00	\$357,525.46	\$252,964.96	\$0.00	\$954,624.54
Other Expenditures	\$96,615.28	\$172,913.08	\$0.00	\$0.00	\$41,529.38	\$311,057.74
<b>Total Expenditures:</b>	<b>\$11,565,751.33</b>	<b>\$2,405,680.37</b>	<b>\$357,525.46</b>	<b>\$5,304,378.75</b>	<b>\$182,960.41</b>	<b>\$19,816,296.32</b>
<b>Other Fund Sources (Uses)</b>						
Other Fund Sources:	\$170,402.04	\$358,862.40	\$178,775.51	\$0.00	\$333.00	\$708,372.95
Other Fund Uses:	\$490,161.67	\$114,394.66	\$0.00	\$0.00	\$735.39	\$605,291.72
<b>Total Other Fund Sources (Uses):</b>	<b>(\$319,759.63)</b>	<b>\$244,467.74</b>	<b>\$178,775.51</b>	<b>\$0.00</b>	<b>(\$402.39)</b>	<b>\$103,081.23</b>
<b>(Under) Expenditures and Other Fund Uses:</b>	<b>(\$692,268.60)</b>	<b>\$48,034.46</b>	<b>\$22,607.01</b>	<b>(\$31,057.24)</b>	<b>\$5,929.48</b>	<b>(\$646,754.89)</b>
<b>Beginning Fund Balance - October 1:</b>	<b>\$3,163,564.18</b>	<b>\$490,628.24</b>	<b>\$92,669.04</b>	<b>\$9,195,863.47</b>	<b>\$77,395.60</b>	<b>\$13,020,120.53</b>
<b>Ending Fund Balance - September 30:</b>	<b>\$2,471,295.58</b>	<b>\$538,662.70</b>	<b>\$115,276.05</b>	<b>\$9,164,806.23</b>	<b>\$83,325.08</b>	<b>\$12,373,365.64</b>

# Fund Accounting

STATE OF ALABAMA							Exhibit F-II-A
For Fiscal Year Ended September 30, 2015							
000 - ABC Schools	GOVERNMENTAL			FIDUCIARY		Total	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust		
<b>Revenues</b>							
State Sources	\$8,066,448.21	\$0.00	\$27,074.74	\$342,405.26	\$0.00	\$8,435,928.21	
Federal Sources	\$8,214.19	\$1,464,148.22	\$0.00	\$0.00	\$0.00	\$1,472,362.41	
Local Sources	\$3,118,579.96	\$695,796.33	\$174,282.22	\$4,930,916.25	\$189,292.28	\$9,108,867.04	
Other Sources	\$0.00	\$49,302.54	\$0.00	\$0.00	\$0.00	\$49,302.54	
<b>Total Revenues:</b>	<b>\$11,193,242.36</b>	<b>\$2,209,247.09</b>	<b>\$201,356.96</b>	<b>\$5,273,321.51</b>	<b>\$189,292.28</b>	<b>\$19,066,460.20</b>	
<b>Expenditures</b>							
Instructional Services	\$6,887,541.85	\$859,940.21	\$0.00	\$0.00	\$122,337.83	\$7,869,819.89	
Instructional Support Services	\$2,284,016.34	\$204,028.87	\$0.00	\$0.00	\$4,798.49	\$2,492,843.70	
Operation & Maintenance Services	\$797,302.19	\$7,225.00	\$0.00	\$132,470.00	\$1,211.00	\$938,208.19	
Auxiliary Services	\$607,760.47	\$1,089,938.25	\$0.00	\$0.00	\$13,083.71	\$1,710,782.43	
General Administrative Services	\$548,381.08	\$71,634.96	\$0.00	\$0.00	\$0.00	\$620,016.04	
Capital Outlay	\$0.00	\$0.00	\$0.00	\$4,918,943.79	\$0.00	\$4,918,943.79	
Debt Service	\$344,134.12	\$0.00	\$357,525.46	\$252,964.96	\$0.00	\$954,624.54	
Other Expenditures	\$96,615.28	\$172,913.08	\$0.00	\$0.00	\$41,529.38	\$311,057.74	
<b>Total Expenditures:</b>	<b>\$11,565,751.33</b>	<b>\$2,405,680.37</b>	<b>\$357,525.46</b>	<b>\$5,304,378.75</b>	<b>\$182,960.41</b>	<b>\$19,816,296.32</b>	
<b>Other Fund Sources (Uses)</b>							
Other Fund Sources:	\$170,402.04	\$358,862.40	\$178,775.51	\$0.00	\$333.00	\$708,372.95	
Other Fund Uses:	\$490,161.67	\$114,394.66	\$0.00	\$0.00	\$735.39	\$605,291.72	
<b>Total Other Fund Sources (Uses):</b>	<b>(\$319,759.63)</b>	<b>\$244,467.74</b>	<b>\$178,775.51</b>	<b>\$0.00</b>	<b>(\$402.39)</b>	<b>\$103,081.23</b>	
<b>(Under) Expenditures and Other Fund Uses:</b>	<b>(\$692,268.60)</b>	<b>\$48,034.46</b>	<b>\$22,607.01</b>	<b>(\$31,057.24)</b>	<b>\$5,929.48</b>	<b>(\$646,754.89)</b>	
<b>Beginning Fund Balance - October 1:</b>	<b>\$3,163,564.18</b>	<b>\$490,628.24</b>	<b>\$92,669.04</b>	<b>\$9,195,863.47</b>	<b>\$77,395.60</b>	<b>\$13,020,120.53</b>	
<b>Ending Fund Balance - September 30:</b>	<b>\$2,471,295.58</b>	<b>\$538,662.70</b>	<b>\$115,276.05</b>	<b>\$9,164,806.23</b>	<b>\$83,325.08</b>	<b>\$12,373,365.64</b>	

# General Accounting **VS** Fund Accounting




Paycheck for Work

1025

DATE May 1, 2011

PAY TO THE ORDER OF Hardworking Staff \$ 675.80

DOLLARS  Security Features  
See Back

I say: you are lucky to have a job Mr. Big Boss

MEMO \_\_\_\_\_  
:00000000000: :00000000000: 1025

GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST

*Mortgage*

*Necessities*

*Pension*

*Renovations*

*Vacation*



GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST

*Bus Debt*

*Utility Bill*

*Paving Project*

*Beta Club Fee*

*CNP*



# Revenue Sources

## STATE OF ALABAMA

Exhibit F-II-A

For Fiscal Year Ended September 30, 2015

### GOVERNMENTAL

### FIDUCIARY

000 - ABC Schools

General Special Revenue Debt Service Capital Projects Expendable Trust Total

#### Revenues

State Sources	\$8,066,448.21	\$0.00	\$27,074.74	\$342,405.26	\$0.00	\$8,435,928.21
Federal Sources	\$8,214.19	\$1,464,148.22	\$0.00	\$0.00	\$0.00	\$1,472,362.41
Local Sources	\$3,118,579.96	\$695,796.33	\$174,282.22	\$4,930,916.25	\$189,292.28	\$9,108,867.04
Other Sources	\$0.00	\$49,302.54	\$0.00	\$0.00	\$0.00	\$49,302.54
<b>Total Revenues:</b>	<b>\$11,193,242.36</b>	<b>\$2,209,247.09</b>	<b>\$201,356.96</b>	<b>\$5,273,321.51</b>	<b>\$189,292.28</b>	<b>\$19,066,460.20</b>

#### Expenditures

Instructional Services	\$6,887,541.85	\$859,940.21	\$0.00	\$0.00	\$122,337.83	\$7,869,819.89
Instructional Support Services	\$2,284,016.34	\$204,028.87	\$0.00	\$0.00	\$4,798.49	\$2,492,843.70
Operation & Maintenance Services	\$797,302.19	\$7,225.00	\$0.00	\$132,470.00	\$1,211.00	\$938,208.19
Auxiliary Services	\$607,760.47	\$1,089,938.25	\$0.00	\$0.00	\$13,083.71	\$1,710,782.43
General Administrative Services	\$548,381.08	\$71,634.96	\$0.00	\$0.00	\$0.00	\$620,016.04
Capital Outlay	\$0.00	\$0.00	\$0.00	\$4,918,943.79	\$0.00	\$4,918,943.79
Debt Service	\$344,134.12	\$0.00	\$357,525.46	\$252,964.96	\$0.00	\$954,624.54
Other Expenditures	\$96,615.28	\$172,913.08	\$0.00	\$0.00	\$41,529.38	\$311,057.74
<b>Total Expenditures:</b>	<b>\$11,565,751.33</b>	<b>\$2,405,680.37</b>	<b>\$357,525.46</b>	<b>\$5,304,378.75</b>	<b>\$182,960.41</b>	<b>\$19,816,296.32</b>

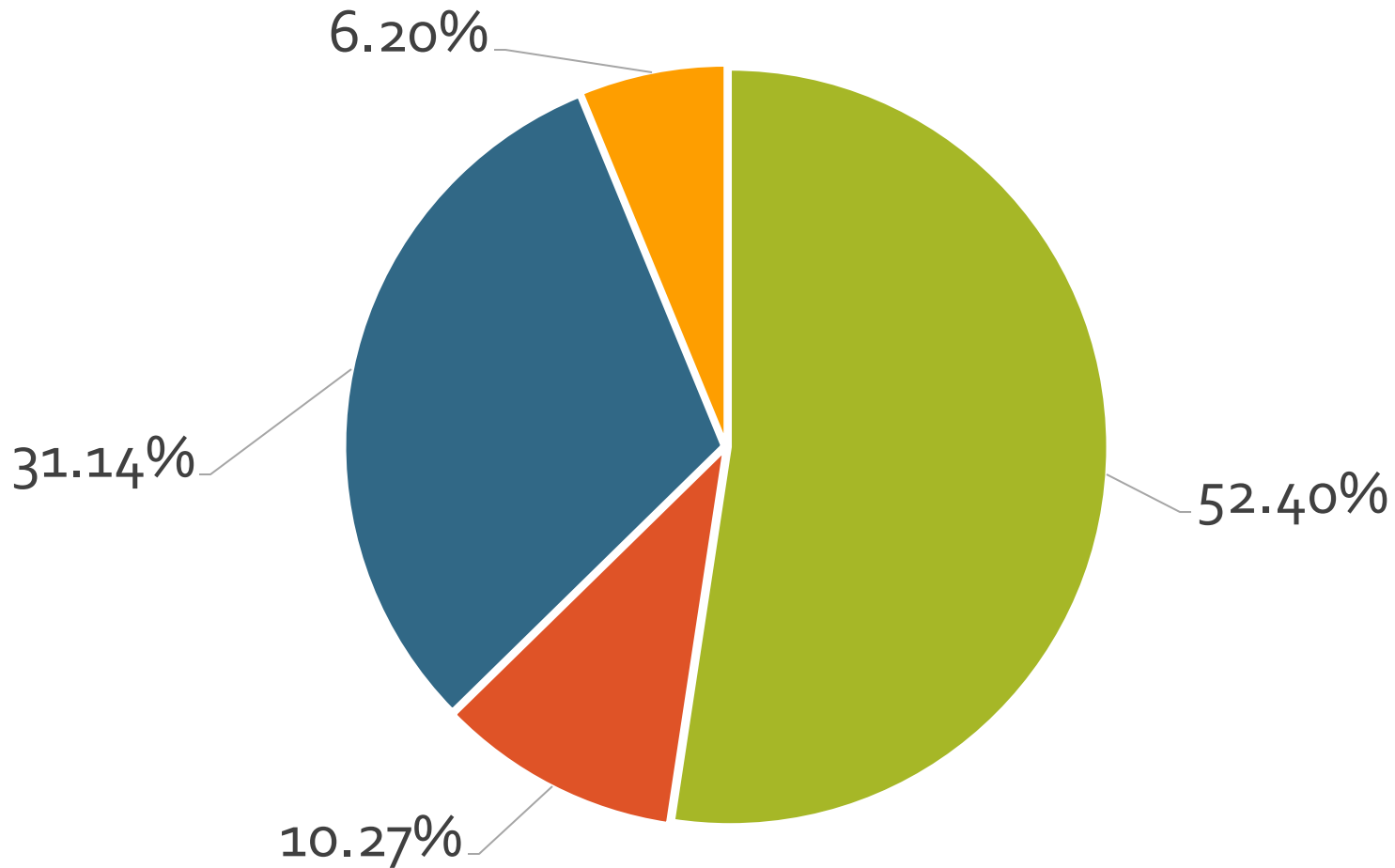
#### Other Fund Sources (Uses)

Other Fund Sources:	\$170,402.04	\$358,862.40	\$178,775.51	\$0.00	\$333.00	\$708,372.95
Other Fund Uses:	\$490,161.67	\$114,394.66	\$0.00	\$0.00	\$735.39	\$605,291.72
<b>Total Other Fund Sources (Uses):</b>	<b>(\$319,759.63)</b>	<b>\$244,467.74</b>	<b>\$178,775.51</b>	<b>\$0.00</b>	<b>(\$402.39)</b>	<b>\$103,081.23</b>

**(Under) Expenditures and Other Fund Uses: (\$692,268.60) \$48,034.46 \$22,607.01 (\$31,057.24) \$5,929.48 (\$646,754.89)**

Beginning Fund Balance - October 1:	\$3,163,564.18	\$490,628.24	\$92,669.04	\$9,195,863.47	\$77,395.60	\$13,020,120.53
Ending Fund Balance - September 30:	\$2,471,295.58	\$538,662.70	\$115,276.05	\$9,164,806.23	\$83,325.08	\$12,373,365.64

# Revenues by Source – All School Systems FY 2018



■ State ■ Federal ■ Local ■ Other

# STATE REVENUE



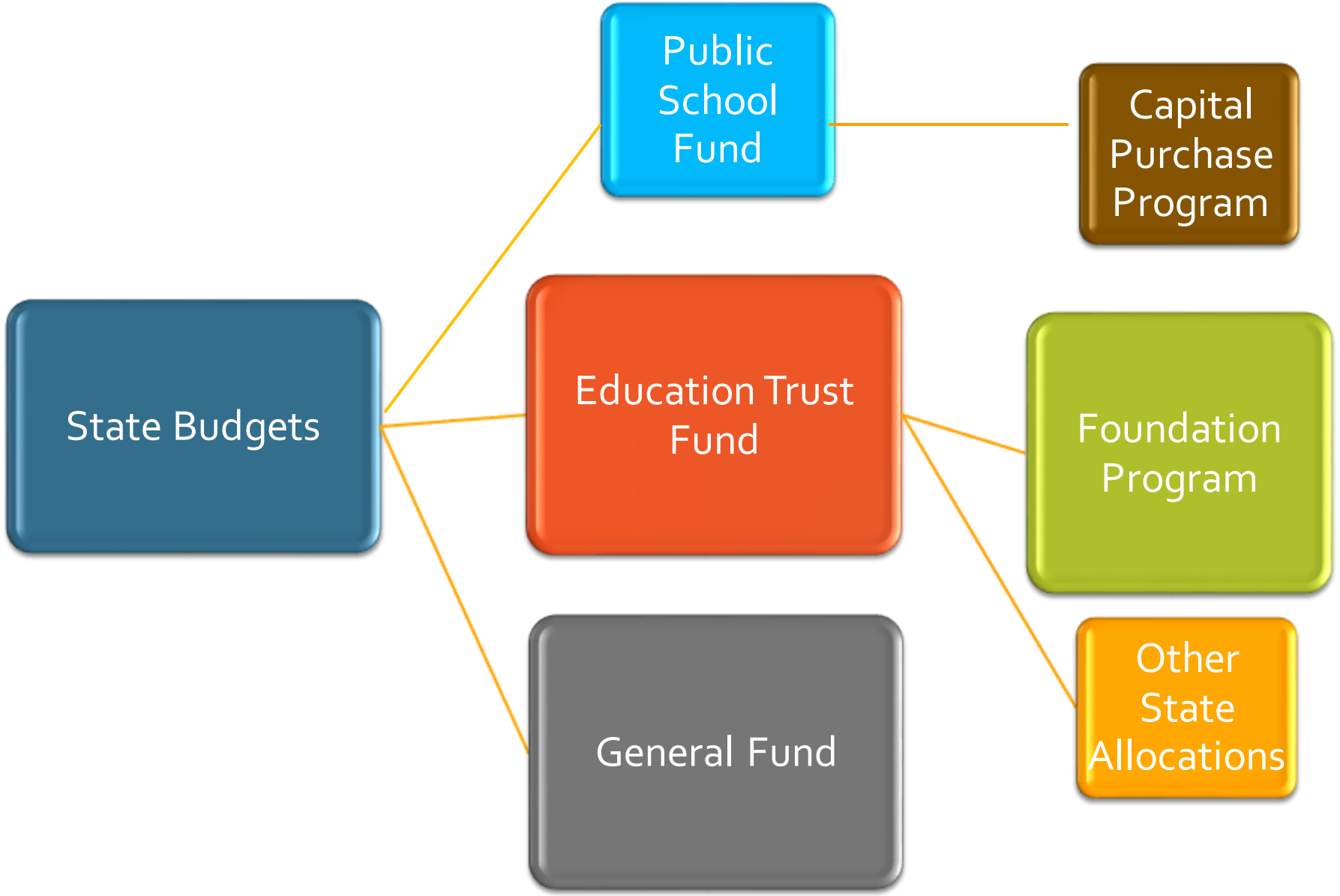
GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST



State Budgets

Public School Fund

Capital Purchase Program

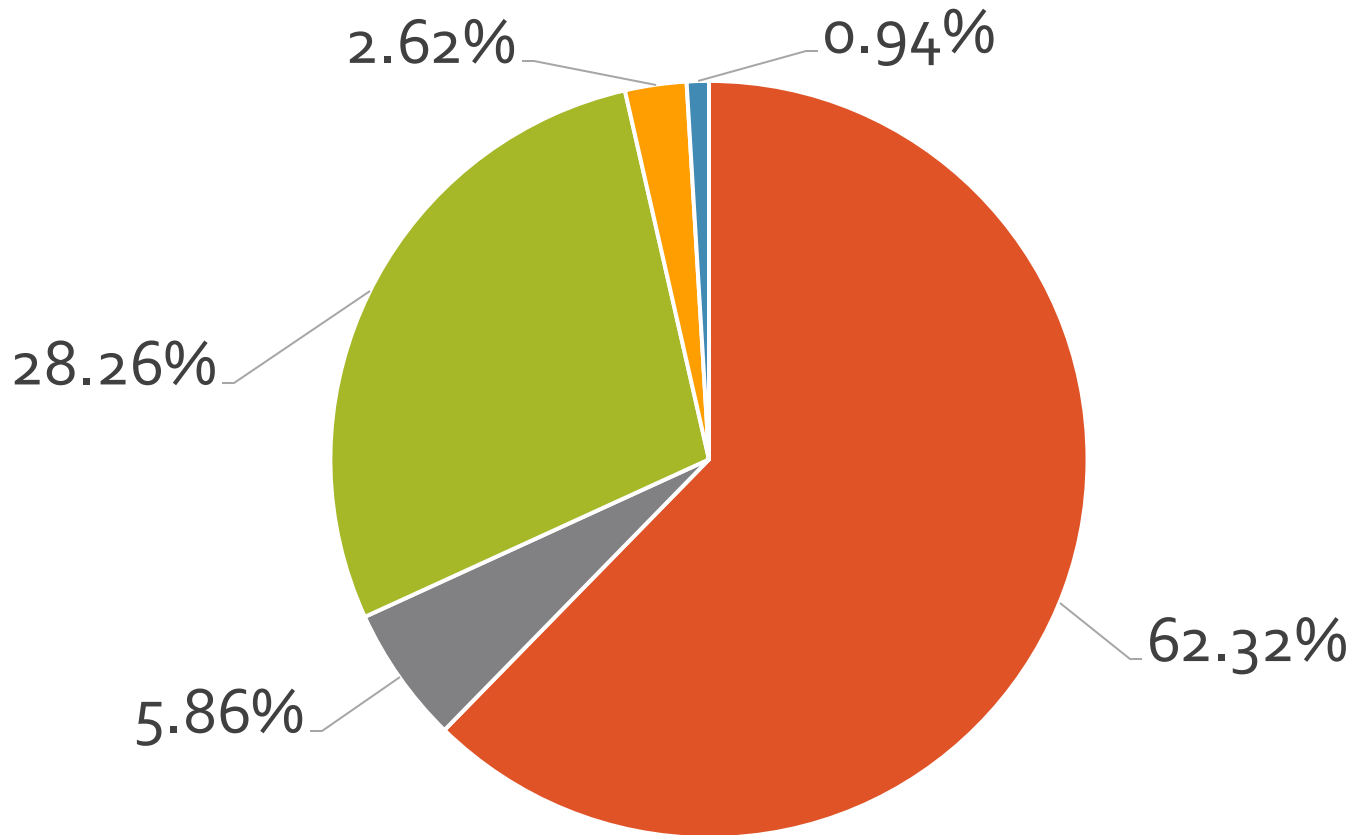
Education Trust Fund

Foundation Program

General Fund

Other State Allocations

# Education Trust Fund Receipts by Tax FY 2018



■ Income Tax ■ Utility Tax ■ Sales Tax ■ Use Tax ■ Other\*

*\* Other includes Beer, Hydroelectric, Insurance Premium, Mobile Telecom, Store & Passenger Business Licenses, & Unclassified Taxes*

# STATE ALLOCATIONS

---

# ADM & UNITS

*State Department of Education*  
FY2019 Foundation Program

<b>000 ABC County</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Change</b>
System ADM	9,189.35	9,260.60	-71.25
<i>Foundation Program Units</i>			
Teachers	526.67	529.56	-2.89
Principals	12	12	0
Assistant Principals	13	13.5	-0.5
Counselors	18	17.5	0.5
Librarians	14	13	1
Career Tech Directors	2	2	0
Career Tech Counselors	1	1	0
<b>Total Units</b>	<b>586.67</b>	<b>588.56</b>	<b>-1.89</b>

# FOUNDATION PROGRAM ALLOCATIONS

<i>Foundation Program (State and Local Funds)</i>				
Salaries	30,344,407		29,472,755	871,652
Fringe Benefits	12,044,519		11,796,343	248,176
Other Current Expense (\$17,950/unit)	10,530,711	(\$17,533/unit)	10,318,948	211,763
Classroom Instructional Support				
Student Materials (\$536.06545/unit)	314,494	(\$421.514/unit)	248,087	66,407
Technology (\$300/unit)	176,001	(\$211.51301/unit)	124,489	51,512
Library Enhancement (\$96.1374/unit)	56,400	(\$30.4396/unit)	17,916	38,484
Professional Development (\$90/unit)	52,800	(\$77.5519/unit)	45,645	7,155
Common Purchase (\$0/unit)	0	(\$0/unit)	0	0
Textbooks (\$70/adm)	643,257	(\$54.51776/adm)	504,867	138,390
<b><i>Total Foundation Program</i></b>	<b>54,162,589</b>		<b>52,529,050</b>	<b>1,633,539</b>



# TOTAL STATE ALLOCATIONS

<i>State Funds</i>				
Foundation Program ETF	47,482,719		45,966,530	1,516,189
School Nurses Program	349,315		343,277	6,038
Salaries - 1% per Act 97-238	0		0	0
Technology Coordinator	55,940		42,710	13,230
<i>Transportation</i>				
Transportation Operations	4,644,515		4,593,847	50,668
Fleet Renewal (\$7,109/bus)	853,080	(\$6,344/bus)	647,045	206,035
Current Units	0		0	0
Capital Purchase	2,380,704		2,324,472	56,232
At Risk	217,683		229,958	-12,275
Career Tech O and M	44,207		44,947	-740
<b>Total State Funds</b>	<b>56,028,163</b>		<b>54,192,786</b>	<b>1,835,377</b>

# LOCAL FUNDS FOR MATCHING

<i>Local Funds</i>				
Foundation Program (10 Mills)	6,679,870	(10 Mills)	6,562,520	117,350
Capital Purchase (0.860704 Mills)	577,380	(0.868535 Mills)	571,064	6,316
<b><i>Total Local Funds</i></b>	<b>7,257,250</b>		<b>7,133,584</b>	<b>123,666</b>
<i>Monthly Allocation = (Foundation Program - EFT, School Nurse, High Hopes, 1% Salaries, Tech Coor, Transportation, At-Risk, and Preschool)</i>				
11 months	4,466,937		4,318,613	148,324
12th month	4,466,945		4,318,624	148,321

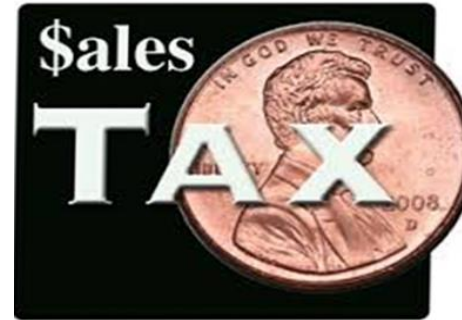
# LOCAL MATCH

Foundation Program ETF \$47,482,719

Plus: Local Funds: 10 Mill Match 6,679,870

TOTAL FOUNDATION PROGRAM \$54,162,589

# LOCAL REVENUE



GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST

# Local School Funding



GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST



# FEDERAL REVENUE



GENERAL  
FUND

SPECIAL  
REVENUE

DEBT  
SERVICE

CAPITAL  
PROJECTS

EXPENDABLE  
TRUST

# Expenditures by Function

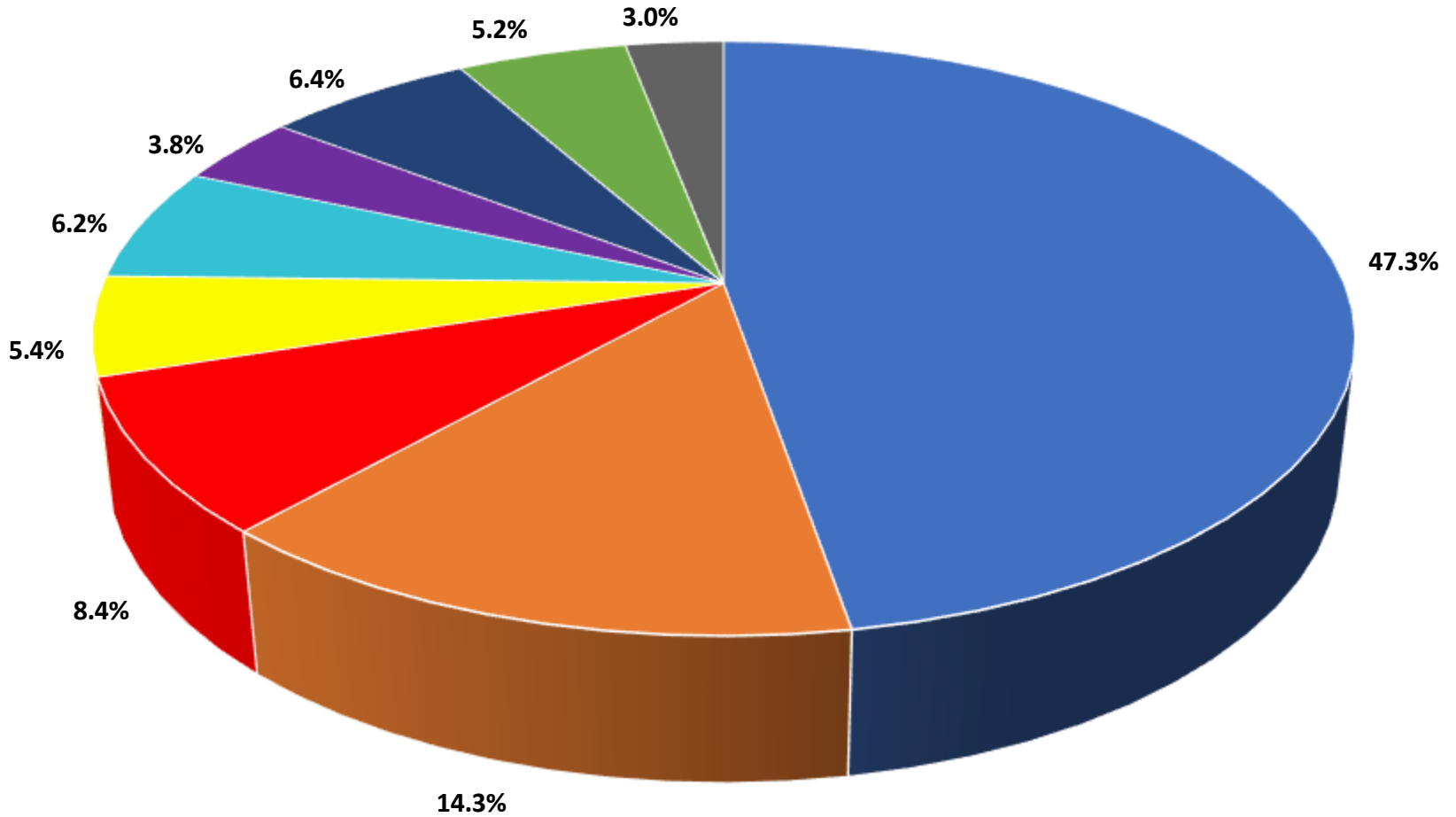
STATE OF ALABAMA							Exhibit F-II-A
For Fiscal Year Ended September 30, 2015							
000 - ABC Schools	GOVERNMENTAL			FIDUCIARY		Total	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust		
<b>Revenues</b>							
State Sources	\$8,066,448.21	\$0.00	\$27,074.74	\$342,405.26	\$0.00	\$8,435,928.21	
Federal Sources	\$8,214.19	\$1,464,148.22	\$0.00	\$0.00	\$0.00	\$1,472,362.41	
Local Sources	\$3,118,579.96	\$695,796.33	\$174,282.22	\$4,930,916.25	\$189,292.28	\$9,108,867.04	
Other Sources	\$0.00	\$49,302.54	\$0.00	\$0.00	\$0.00	\$49,302.54	
<b>Total Revenues:</b>	<b>\$11,193,242.36</b>	<b>\$2,209,247.09</b>	<b>\$201,356.96</b>	<b>\$5,273,321.51</b>	<b>\$189,292.28</b>	<b>\$19,066,460.20</b>	
<b>Expenditures</b>							
Instructional Services	\$6,887,541.85	\$859,940.21	\$0.00	\$0.00	\$122,337.83	\$7,869,819.89	
Instructional Support Services	\$2,284,016.34	\$204,028.87	\$0.00	\$0.00	\$4,798.49	\$2,492,843.70	
Operation & Maintenance Services	\$797,302.19	\$7,225.00	\$0.00	\$132,470.00	\$1,211.00	\$938,208.19	
Auxiliary Services	\$607,760.47	\$1,089,938.25	\$0.00	\$0.00	\$13,083.71	\$1,710,782.43	
General Administrative Services	\$548,381.08	\$71,634.96	\$0.00	\$0.00	\$0.00	\$620,016.04	
Capital Outlay	\$0.00	\$0.00	\$0.00	\$4,918,943.79	\$0.00	\$4,918,943.79	
Debt Service	\$344,134.12	\$0.00	\$357,525.46	\$252,964.96	\$0.00	\$954,624.54	
Other Expenditures	\$96,615.28	\$172,913.08	\$0.00	\$0.00	\$41,529.38	\$311,057.74	
<b>Total Expenditures:</b>	<b>\$11,565,751.33</b>	<b>\$2,405,680.37</b>	<b>\$357,525.46</b>	<b>\$5,304,378.75</b>	<b>\$182,960.41</b>	<b>\$19,816,296.32</b>	
<b>Other Fund Sources (Uses)</b>							
Other Fund Sources:	\$170,402.04	\$358,862.40	\$178,775.51	\$0.00	\$333.00	\$708,372.95	
Other Fund Uses:	\$490,161.67	\$114,394.66	\$0.00	\$0.00	\$735.39	\$605,291.72	
<b>Total Other Fund Sources (Uses):</b>	<b>(\$319,759.63)</b>	<b>\$244,467.74</b>	<b>\$178,775.51</b>	<b>\$0.00</b>	<b>(\$402.39)</b>	<b>\$103,081.23</b>	
<b>(Under) Expenditures and Other Fund Uses:</b>	<b>(\$692,268.60)</b>	<b>\$48,034.46</b>	<b>\$22,607.01</b>	<b>(\$31,057.24)</b>	<b>\$5,929.48</b>	<b>(\$646,754.89)</b>	
<b>Beginning Fund Balance - October 1:</b>	<b>\$3,163,564.18</b>	<b>\$490,628.24</b>	<b>\$92,669.04</b>	<b>\$9,195,863.47</b>	<b>\$77,395.60</b>	<b>\$13,020,120.53</b>	
<b>Ending Fund Balance - September 30:</b>	<b>\$2,471,295.58</b>	<b>\$538,662.70</b>	<b>\$115,276.05</b>	<b>\$9,164,806.23</b>	<b>\$83,325.08</b>	<b>\$12,373,365.64</b>	



# EXPENDITURES



# FY 18 Total LEA Expenditures by Function



**Instruct**

**Instr Supp**

**Op & Maint**

**Aux-Trans**

**Aux-Food**

**Admin**

**Cap Outlay**

**Debt**

**Other**

# **SAMPLE REPORTS**

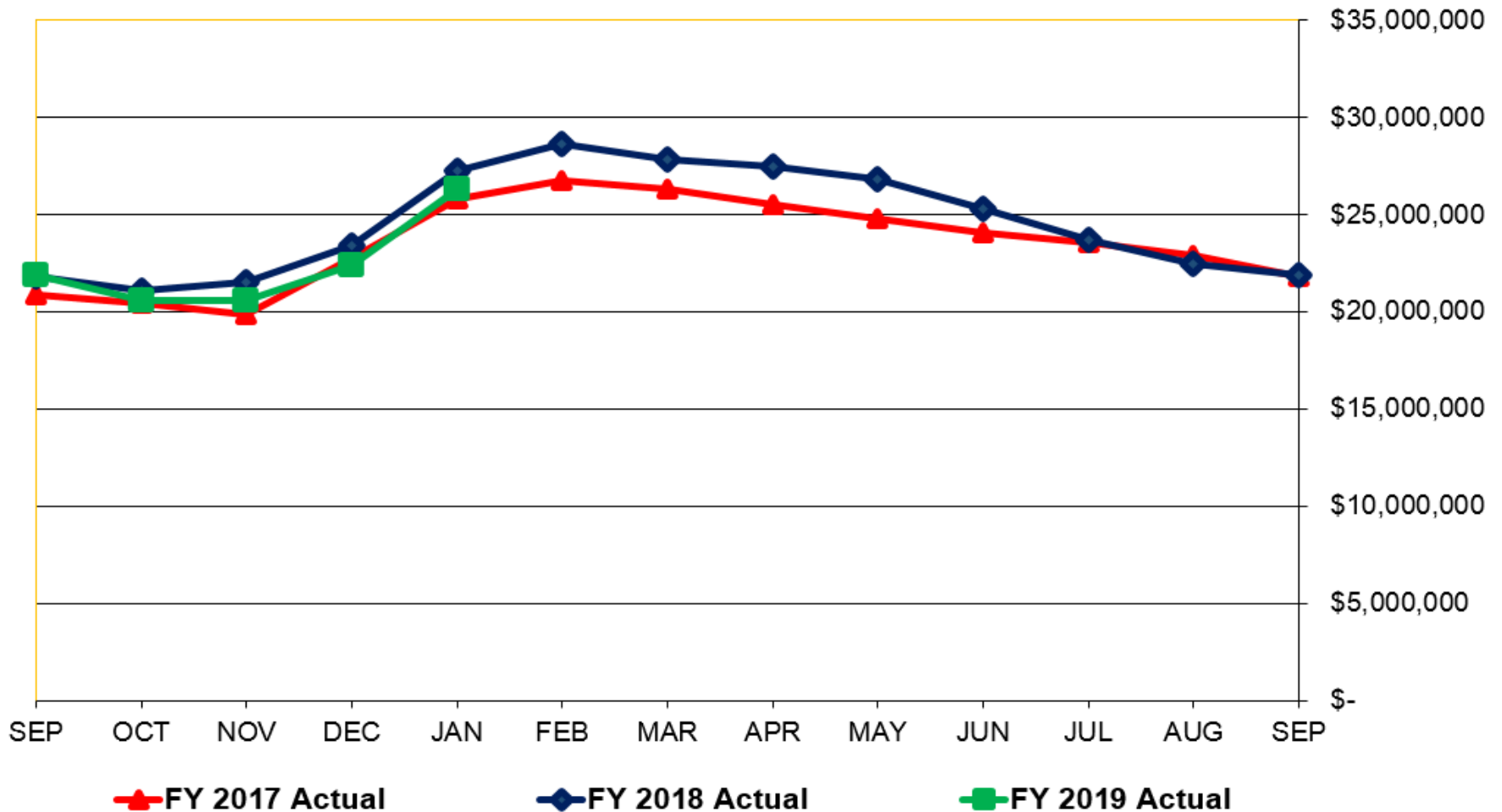
---

# General Fund Financial Analysis

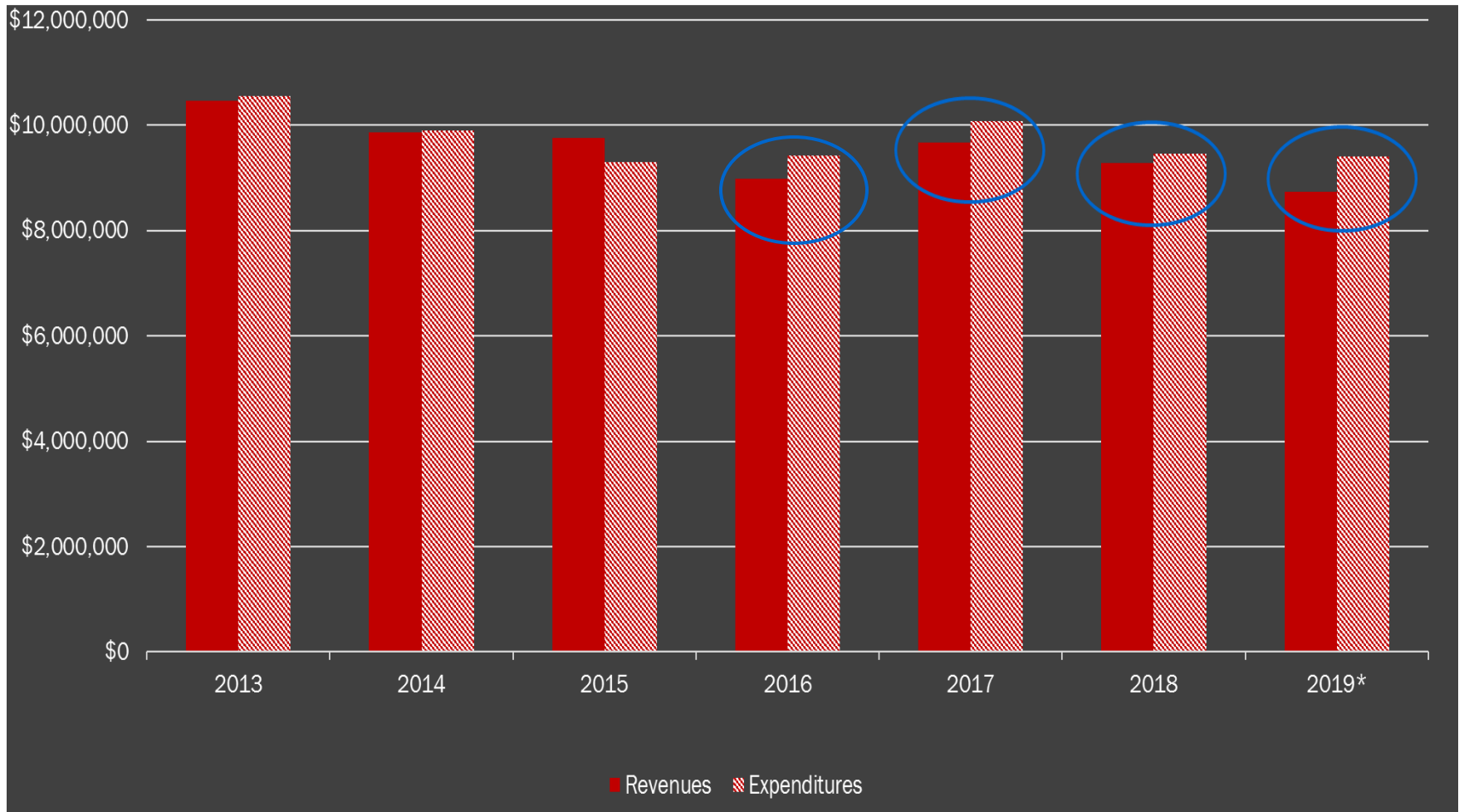
## Example School System

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Beginning Balance - October 1	328,618	248,597	487,281	436,118
Total Revenues/Other Sources:	7,152,781	7,818,530	7,256,214	7,260,449
Total Expenditures/Other Uses:	-7,232,802	-7,579,846	-7,707,970	-7,060,156
Excess/Deficit	<b>-80,021</b>	238,684	<b>-451,756</b>	200,293
Ending Fund Balance - September 30	248,597	487,281	35,525	636,411
One Months' Operating Reserve =	602,734	631,654	642,331	588,346
# of Months	0.41	0.77	0.06	1.08

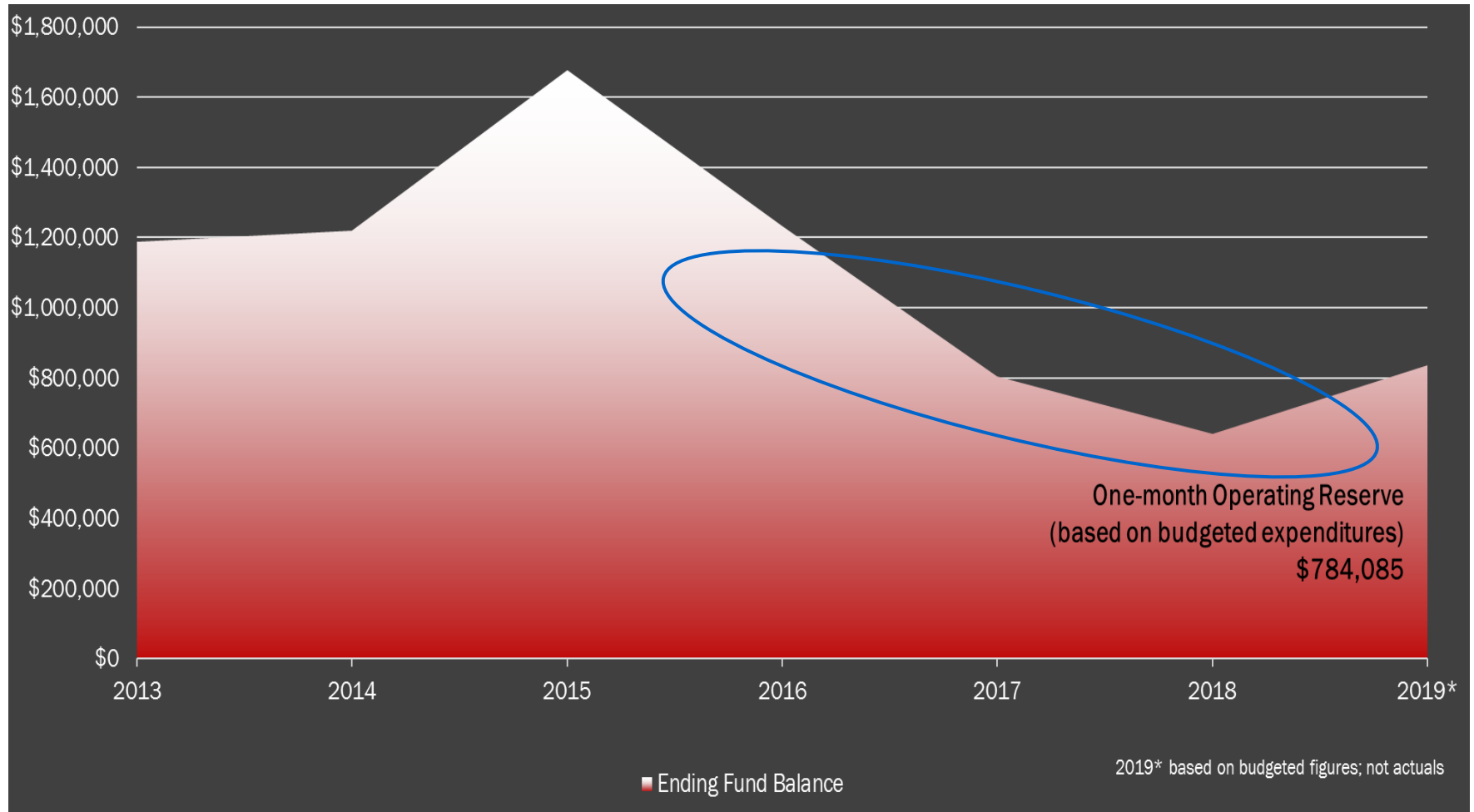
# MONTH-END FUND BALANCE GENERAL FUND



# REVENUES & EXPENDITURES GENERAL FUND



# ENDING FUND BALANCE GENERAL FUND



# PERSONNEL COST GENERAL FUND

	<b>2019</b> 2.5% Raise	2018	2017 4% Raise	2016
Salaries/Fringes	\$ 70,378,390	\$ 66,721,823	\$ 66,202,103	\$ 63,574,785
Transfer CNP	\$ 300,000	\$ 300,000	\$ 300,000	\$ 700,000
Total Salaries/Fringes	\$ 70,678,390	\$ 67,021,823	\$ 66,502,103	\$ 64,274,785
Total Budget	\$ 82,095,918	\$ 78,743,658	\$ 77,609,424	\$ 75,061,772
% Personnel Cost	<b>86.1%</b>	85.1%	85.7%	85.6%



# BUDGETED EMPLOYEES ALL FUNDS

TYPE	State	Other State	Federal	Local	TOTAL Employees
Teachers	523.62	18.09	27.09	73.92	642.72
Librarians	17.00				17.00
Counselors	24.00			2.00	26.00
Administrators	27.00		1.00	7.00	35.00
Cert Support	1.00		1.00	5.00	7.00
Total Certified	592.62	18.09	29.09	87.92	727.72
Support Staff	83.50	87.48	105.12	170.52	446.62
<b>TOTAL</b>	<b>676.12</b>	<b>105.57</b>	<b>134.21</b>	<b>258.44</b>	<b>1174.34</b>
					Increase of 29

# Questions?

Kim McPherson, C.P.A.

K12 Financial Consultant

