

AASBO Mentor Program
Understanding Your Financial Reserves

Sonja Peaspanen
State Department of Education
January 31, 2018

School Fiscal Accountability Act
Act No.2006-196

Regular Session 2013 | History | Sponsors | Fiscal Notes | Amendments | View | Help

The Code of Alabama 1975

- Section 16-13A-1 Fiscal management policies.
- Section 16-13A-2 Financial oversight by State Superintendent of Education, appointment and duties of Chief Education Financial Officer, internal audits of schools and school systems.
- Section 16-13A-3 Financial training of local superintendents of education.
- Section 16-13A-4 Appointment, removal of chief school financial officer, qualifications.
- Section 16-13A-5 Supervision, fiduciary responsibility of chief school financial officer, duties.
- Section 16-13A-6 Required reports.
- Section 16-13A-7 Audits.
- Section 16-13A-8 Authority to expend funds.
- Section 16-13A-9 Reserve funds.
- Section 16-13A-10 Penalties for failing to comply with chapter.
- Section 16-13A-11 Liability.
- Section 16-13A-12 Bonding.
- Section 16-13A-13 Publication of budget and financial information.

Section 16-13A-9

Reserve funds.

- (a) A local board of education shall develop a plan to establish and maintain a minimum reserve fund equal to one month's operating expenses. Also, a local board of education shall develop a plan to replenish its reserve fund after any withdrawal is made pursuant to subsection (b).
- (b) Local boards of education are authorized to expend such reserve funds if either of the following occur:
 - (1) The Governor declares proration in the Education Trust Fund.
 - (2) Total state funds appropriated by the Legislature to the local boards of education are less than the same appropriation for the preceding fiscal year.
- (Act 2006-196, p. 275, §2; Act 2009-747, p. 2266, §1.)

General Fund Financial Analysis



STATE OF ALABAMA DEPARTMENT OF EDUCATION LEA Financial and Budget System General Fund (Fund Type 11) Financial Analysis				
	Financial Statement FY 2015	Financial Statement FY 2016	Financial Statement FY 2017	Budget FY 2018
	Fiscal Period 12	Fiscal Period 12	Fiscal Period 12	Fiscal Period 00
Beginning Balance - October 1	\$3,702,499.25	\$5,476,898.16	\$6,951,648.24	\$6,036,567.27
Revenues				
State Sources	\$30,165,743.96	\$30,845,125.81	\$33,320,702.71	\$32,698,396.00
Federal Sources	\$162,320.02	\$119,952.00	\$142,378.16	\$138,351.70
Local Sources	\$12,248,894.42	\$12,491,723.33	\$12,826,627.93	\$12,688,870.00
Other Sources	\$362,123.99	\$302,375.20	\$225,530.75	\$176,657.00
Other Fund Sources	\$764,788.04	\$518,632.26	\$1,209,696.66	\$714,526.15
Total Revenues:	\$43,763,878.62	\$44,877,798.72	\$79,625,696.29	\$68,817,379.85
Expenditures				
Instructional Services	\$37,489,756.14	\$37,694,421.15	\$39,234,767.03	\$38,538,752.41
Instructional Support Services	\$9,629,701.73	\$9,681,114.39	\$9,884,657.29	\$9,798,487.86
Operation & Maintenance Services	\$5,455,144.31	\$5,498,819.72	\$5,925,522.63	\$5,536,349.27
Auxiliary Services	\$4,036,538.02	\$4,529,822.56	\$7,800,643.00	\$5,120,961.22
General Administrative Services	\$1,681,581.23	\$2,140,600.31	\$2,985,719.99	\$2,442,351.28
Capital Outlay	\$396,200.27	\$32,800.00	\$60,558.29	\$0.00
Debt Services				
Other Expenditures	\$467,606.63	\$563,374.12	\$552,264.26	\$497,918.80
Other Fund Uses	\$1,792,803.79	\$2,877,798.37	\$2,864,982.23	\$2,505,969.86
Total Expenditures:	\$61,949,482.12	\$62,501,200.64	\$68,809,169.04	\$64,440,809.70
Excess of Revenues	\$1,754,417.91	\$1,676,588.08	\$1,816,927.21	\$1,376,570.15
Ending Fund Balance - September 30	\$5,487,117.16	\$6,953,476.24	\$8,067,873.45	\$7,413,137.42

One-month Balance

Total Expenditures: \$ 61,949,452.12 \$ 63,501,200.64 \$ 68,509,169.04 \$ 64,440,809.70				
Excess of Revenues \$ 1,754,417.91 \$ 1,076,588.08 \$ 1,515,927.21 \$ 1,376,570.15				
Ending Fund Balance - September 30 \$ 5,457,117.16 \$ 6,553,476.24 \$ 8,067,573.45 \$ 7,413,137.42				
Total Expenditures \$ 61,949,452.12 \$ 63,501,200.64 \$ 68,509,169.04 \$ 64,440,809.70				
12 12 12 12				
Calculated One-month \$ 5,162,454.34 \$ 5,291,766.72 \$ 5,709,097.42 \$ 5,370,067.48 ^A				
Ending Fund Balance \$ 5,457,117.16 \$ 6,553,476.24 \$ 8,067,573.45 \$ 7,413,137.42 ^B				
Number of months 1.06 1.24 1.41 1.38 ^{B/A}				

Less than One-month Fund Balance

- Meet with SDE
- LEA submits draft Improvement Proposal to SDE
- Draft reviewed by SDE staff and response provided to LEA
- Financial Improvement Resolution officially adopted by the local board and submitted to SDE

Child Nutrition



CNP Financial Profile


FUND BALANCES AND RESULTS OF OPERATIONS	FY 2013	FY 2014	FY 2015
Total Enrollment	9544	9635	9697
Total Revenue	\$5,553,136.88	\$5,837,554.34	\$5,138,098.03
Total Expenditures	\$5,352,111.45	\$5,058,881.73	\$5,058,279.34
Net Enrollment \$	\$201,025.43	\$778,672.61	\$879,818.69
Ending Net Cash Resources	\$1,455,482.85	\$1,552,281.12	\$1,847,050.88
Average Monthly Expenditures	\$556,176.95	\$504,727.84	\$507,022.20
Operating Balance (Months)	3.1	3.0	3.3
REVENUE EXPENDITURE RATIO			
Expenditures As % of Total Revenue	96.67%	102.02%	98.30%
Total Food Expenditures	\$2,452,223.19	\$2,388,343.33	\$2,425,174.70
SNP Reimburse	\$119,915.10	\$12,107.14	\$80,184.41
Other Reimburse	\$0.00	\$0.00	\$0.00
Net Food Expenditures	\$2,332,308.09	\$2,166,236.19	\$2,344,990.29
Food As % of Total Revenue	42.00%	37.12%	45.83%
Total Labor Expenditures	\$2,891,889.22	\$3,026,538.70	\$3,525,290.61
Labor As % of Total Revenue	52.08%	51.88%	68.64%
PRODUCTIVITY			
Annual Meal Equivalents Served	1,895,347	1,937,448	1,880,778
Revenue Per Meal	\$2.93	\$3.04	\$2.73
Total Expenditures Per Meal	\$2.81	\$2.66	\$2.96
Food Costs Per Meal	\$1.48	\$1.45	\$1.68
Labor Costs Per Meal	\$1.33	\$1.21	\$1.28
Meals Per Labor Hour	13.82	15.99	14.71
MISCELLANEOUS			
Total Lunches Served	1,543,978	1,544,913	1,540,874
% Free/Reduced Meals	50.88%	51.42%	51.18%
Number of Free/Reduced Applications	4362	4821	4580
Free/Reduced Eligible %	49.67%	50.56%	47.81%

Child Nutrition Program Productivity Standards – FY2016

	State Average	State/Ideal Standard	Caution	Red Flag
Operating Balance (# of months)	3.09	2.5	<2 or >3	<1 or >4
Expenditures as a % of Revenue				
Total Expenditures	96.17%	95 - 96%	97 - 99%	>100%
Food Expenditures	36.80%	30 - 40%	40 - 50%	>52%
Labor Expenditures	43.03%	42 - 46%	47 - 50%	>50%
Per Meal Costs				
Food Costs/M Meal	\$ 1.61	\$1.50 - \$1.70	>\$1.70 or <\$1.25	>\$1.80 or <\$1.00
Labor Costs/M Meal	\$ 1.90	\$1.75 - \$1.95	\$1.95-\$2.10	>\$2.10
Meals Served Per Labor Hour	15.10	16 - 19	12 - 13	<12

Transportation

- FY 2016 funded 82.2%
- FY 2017 funded 81.3%
- FY 2017 funded 82.1%



Indirect Cost



Indirect Cost Earned vs. Budgeted

**STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Budget System**

**Anticipated Indirect Costs Due to General Fund from Federal Funds
Fiscal Year 2016, Fiscal Period 00**

Fund Source Code - Appropriation Year: Fund Source Title	Total Budgeted Expenditures	Budgeted Expenditures Excluded	Expenditures Subject to Indirect Costs	Indirect Costs Rate	Anticipated Indirect Costs Earned	Indirect Costs Budgeted Object 910	Variance
010 - 0 - IDEA Part B	\$1,033,962.00	\$0.00	\$1,033,962.00	2.49%	\$47,895.56	\$0.00	\$47,895.56
020 - 0 - Pre-School Part B-Ages 3-5	\$29,889.00	\$0.00	\$29,889.00	2.49%	\$741.17	\$0.00	\$741.17
030 - 0 - Basic State	\$107,427.00	\$2,500.00	\$104,927.00	2.49%	\$2,602.56	\$2,500.00	\$102.56
010 - 0 - Title I, Part A	\$1,871,040.00	\$91,000.00	\$1,820,040.00	2.49%	\$45,107.12	\$45,000.00	\$107.12
030 - 0 - Title I, Part A - Teacher and Principal Training	\$312,324.00	\$7,000.00	\$305,324.00	2.49%	\$7,599.40	\$7,000.00	\$599.40
030 - 0 - Title I - English Lang. Acq., Lang. Enhance. & Acad.	\$28,278.00	\$600.00	\$27,678.00	2.50%	\$693.52	\$600.00	\$93.52
031 - 0 - Career	\$160,000.00	\$2,720.00	\$157,280.00	2.49%	\$3,902.54	\$2,720.00	\$3,182.54
031 - 0 - Food & Nutrition Fund Source-Default	\$6,208,018.15	\$2,720,168.00	\$3,487,850.15	13.00%	\$454,436.70	\$368,168.00	\$86,268.70
030 - 0 - DOD-Air Force ROTC	\$60,000.00	\$0.00	\$60,000.00	2.49%	\$2,994.00	\$0.00	\$2,994.00
TOTALS:	\$9,179,606.99	\$2,780,688.00	\$6,398,918.99		\$864,649.72	\$447,968.00	\$416,681.72

*PROGRAMMATIC APPROVAL SHOULD BE RECEIVED BEFORE RECOVERING ANY INDIRECT COST FROM ANY GIVEN FUND SOURCE. INDIRECT COSTS CHARGED TO THE GRANT MUST FOLLOW GRANT GUIDELINES.

Indirect Cost Earned vs. Collected

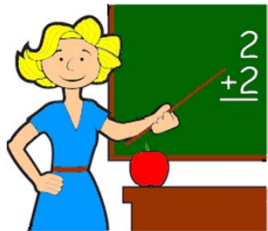
**STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System**

**Maximum Indirect Costs Due to General Fund from Federal Funds
Fiscal Year 2017, Fiscal Period 12**

Fund Source Code - Appropriation Year: Fund Source Title	Total Expenditures Act Type 5	Excluded Expenditures	Expenditures Subject to Indirect Costs	Indirect Costs Rate	Indirect Costs Earned	Indirect Costs Recollected Object 910	Variance
010 - 0 - IDEA Part B	\$1,886,210.00	\$0.00	\$1,886,210.00	0.90%	\$16,232.42	\$0.00	\$16,232.42
020 - 0 - Pre-School Part B-Ages 3-5	\$35,528.00	\$0.00	\$35,528.00	0.90%	\$314.08	\$0.00	\$314.08
030 - 0 - Other IDEA Programs	\$1,476.00	\$0.00	\$1,476.00	0.90%	\$13.27	\$0.00	\$13.27
010 - 0 - Basic State	\$103,756.54	\$680.00	\$103,076.54	0.90%	\$928.08	\$680.00	\$248.08
037 - 0 - Program Improvement	\$7,531.00	\$0.00	\$7,531.00	0.90%	\$67.78	\$0.00	\$67.78
039 - 0 - Career/Technical Education Model Program	\$42,893.19	\$0.00	\$42,893.19	0.90%	\$386.08	\$0.00	\$386.08
010 - 0 - Title I, Part A	\$1,616,411.69	\$16,233.00	\$1,599,178.69	0.90%	\$14,332.81	\$14,233.00	\$99.81
010 - 0 - Title I, Part A	\$158,861.28	\$1,408.00	\$157,453.28	0.90%	\$1,412.79	\$1,408.00	\$4.79
010 - 0 - Title I, Part D - Advanced Placement	\$687.00	\$0.00	\$687.00	0.90%	\$6.18	\$0.00	\$6.18
023 - 0 - Title I, Part D - Advanced Placement Incentive	\$1,620.00	\$682.00	\$938.00	0.90%	\$8.33	\$0.00	\$8.33
030 - 0 - Title I, Part A - Teacher and Principal Training	\$314,100.36	\$2,482.00	\$311,618.36	0.90%	\$2,801.62	\$2,482.00	\$319.62
030 - 0 - Title I - English Lang. Acq., Lang. Enhance. & Acad.	\$26,627.81	\$243.00	\$26,384.81	0.90%	\$236.20	\$243.00	-\$6.80
031 - 0 - Career	\$147,123.24	\$1,242.00	\$145,881.24	0.90%	\$1,302.48	\$1,242.00	\$60.48
031 - 0 - Food & Nutrition Fund Source-Default	\$5,891,222.57	\$2,698,343.97	\$3,192,878.60	11.75%	\$381,273.24	\$381,273.24	\$0.00
030 - 0 - DOD-Air Force ROTC	\$58,074.12	\$0.00	\$58,074.12	0.90%	\$524.07	\$0.00	\$524.07
TOTALS:	\$10,346,646.76	\$2,781,933.97	\$7,564,712.79		\$671,689.74	\$461,846.24	\$209,843.50

*PROGRAMMATIC APPROVAL SHOULD BE RECEIVED BEFORE RECOVERING ANY INDIRECT COST FROM ANY GIVEN FUND SOURCE. INDIRECT COSTS CHARGED TO THE GRANT MUST FOLLOW GRANT GUIDELINES.

Personnel Expense



State of Alabama										
Department of Education										
2016-2017 Certified FTE by Funding Source										
System	School Name	Earned Units	State Source		Federal Source					
			FTE	Salary	FTE	Salary				
xxx	County	0.00	4.71	1424,118	0.71	161,574	1.00	111,000	6.50	1629,912
	001 County Board Of Education	3.00	17.48	1,031,296	1.85	395,046	0.00	0	19.33	1,1128,342
	010 County Alternative School	0.00	6.00	342,612	1.00	155,944	0.00	0	7.00	1898,556
	015 School	20.67	19.67	1,040,511	9.83	1438,758	0.00	0	29.50	11,479,290
	040 High School	41.91	40.68	12,107,622	7.32	1293,382	0.00	0	48.00	12,401,004
	050 High School	36.58	35.00	1,798,116	1.00	144,091	0.00	0	36.00	11,842,207
	052 Middle School	24.81	24.81	1,290,638	1.67	177,168	0.00	0	26.50	11,367,807
	055 Elementary School	59.94	62.61	1,169,569	2.39	1104,295	0.00	0	65.00	13,273,864
	060 Elementary School	40.00	39.50	1,978,561	0.67	124,271	0.00	0	40.17	12,002,812
	065 Elementary School	70.85	70.00	1,600,170	1.00	148,499	0.00	0	71.00	13,648,669
	070 Intermediate School	13.41	12.91	1,696,656	1.07	117,710	0.00	0	14.00	11,814,366
	090 Junior High School	15.28	15.00	1,209,226	1.00	151,302	0.00	0	16.00	12,919,528
	093 Kindergarten School	13.04	13.04	11,712,911	0.96	140,486	0.00	0	14.00	11,793,399
	096 High School	123.47	109.68	11,193,918	2.12	1,271,104	0.00	0	112.00	15,721,022
	099 Primary School	45.54	45.04	12,358,549	1.96	182,941	0.00	0	47.00	12,441,490
	6000 County Technology Center	0.00	17.00	1912,883	1.00	138,342	0.00	0	18.00	1951,225
	System Totals 2016-2017	588.56	608.46	131,444,258	37.04	11,639,340	0.00	0	645.50	133,083,518

State of Alabama									
Department of Education									
Support FTE by Funding Source for 10/2017									
System	School	State Source		Federal Source		Local Source			
		FTE	Salary	FTE	Salary	FTE	Salary		
		7.75	\$387,889.00	0.28	\$11,830.00	0.00	\$0.00	8.00	\$399,719.00
0001	County Board Of Education	187.88	\$2,504,870.18	1.88	\$88,437.88	0.00	\$0.00	189.80	\$2,593,308.00
0010	County Alternative School	4.00	\$88,511.00	2.00	\$81,183.00	0.00	\$0.00	6.00	\$169,694.00
0015	School	12.00	\$237,884.00	0.18	\$102,183.00	0.00	\$0.00	12.18	\$339,967.00
0040	High School	12.00	\$244,842.00	0.28	\$108,213.00	0.00	\$0.00	12.28	\$353,055.00
0050	High School	11.00	\$228,181.00	0.20	\$148,488.00	0.00	\$0.00	11.20	\$376,669.00
0052	Middle School	8.00	\$177,238.00	0.20	\$114,488.00	0.00	\$0.00	8.20	\$291,726.00
0055	Intermediate School	12.00	\$245,111.00	14.40	\$237,171.00	0.00	\$0.00	26.40	\$482,282.00
0060	Junior High School	4.00	\$114,239.00	0.24	\$142,849.20	0.00	\$0.00	4.24	\$257,088.20
0065	Elementary School	11.00	\$215,881.00	12.82	\$234,452.10	0.00	\$0.00	23.82	\$450,333.10
0070	Elementary School	8.00	\$182,888.00	0.24	\$108,581.20	0.00	\$0.00	8.24	\$291,469.20
0080	High School	8.50	\$211,889.00	12.48	\$225,184.40	0.00	\$0.00	20.98	\$437,073.40
0085	Intermediate School	6.00	\$107,889.00	7.20	\$127,404.40	0.00	\$0.00	13.20	\$235,293.40
0090	Junior High School	28.00	\$587,881.00	18.84	\$388,173.70	0.00	\$0.00	46.84	\$976,054.70
0095	Elementary School	8.00	\$172,880.00	0.24	\$118,361.20	0.00	\$0.00	8.24	\$291,241.20
0100	County Technology Center	0.00	\$194,847.00	1.00	\$11,802.00	0.00	\$0.00	1.00	\$206,649.00
	System Totals	392.30	\$8,216,198.15	123.19	\$2,234,342.80	0.00	\$0.00	415.49	\$10,450,540.95

Other Areas

- Supplements
- FY2018 Budget
- Legal Costs
- Federal Funds
 - Carryover
 - Special Education Maintenance of Effort (MOE)
- Debt Obligations

QUESTIONS



Sonja Peaspanen
Alabama State Department of
Education
speaspanen@alsde.edu
334-353-9886
