# Welcome to

### Ver











## Financial Oversight: The Board's Role

#### **Accountability to Taxpayers**

- A good return on their education investment
- Efficient, ethical operations of the school district

#### **Budgeting**

• Assure adequate resources to accomplish goals and progress toward vision

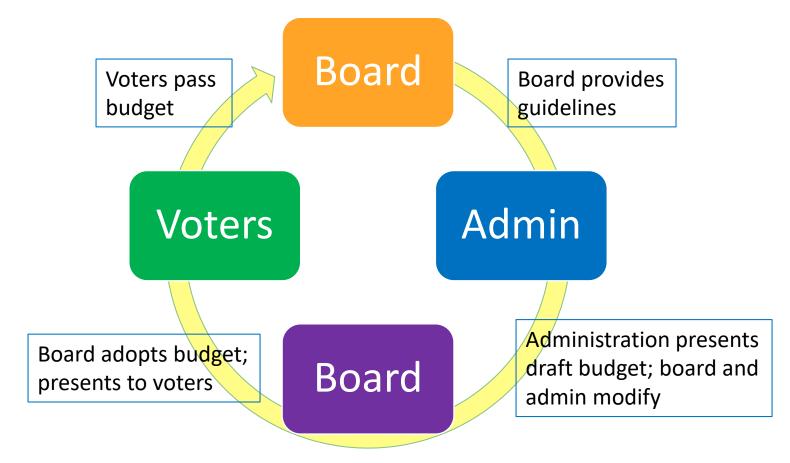
#### **Monitoring**

- Assure focused and responsible management of financial resources
- Assure adequate internal controls have been put in place by administration
- Conduct financial monitoring
- Be a good consumer of the annual audit





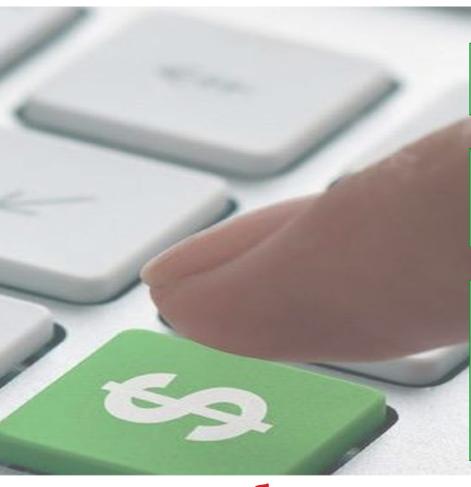
## **The Budget Cycle – Part 1**







## Develop a Proposed Budget: The Board's Role



### **Establish Budgeting Policy**

VSBA Model Policy F30: Budgeting

### **Establish Guidelines**

- Reflect community/district values
- Allocate resources to achieve desired student outcomes

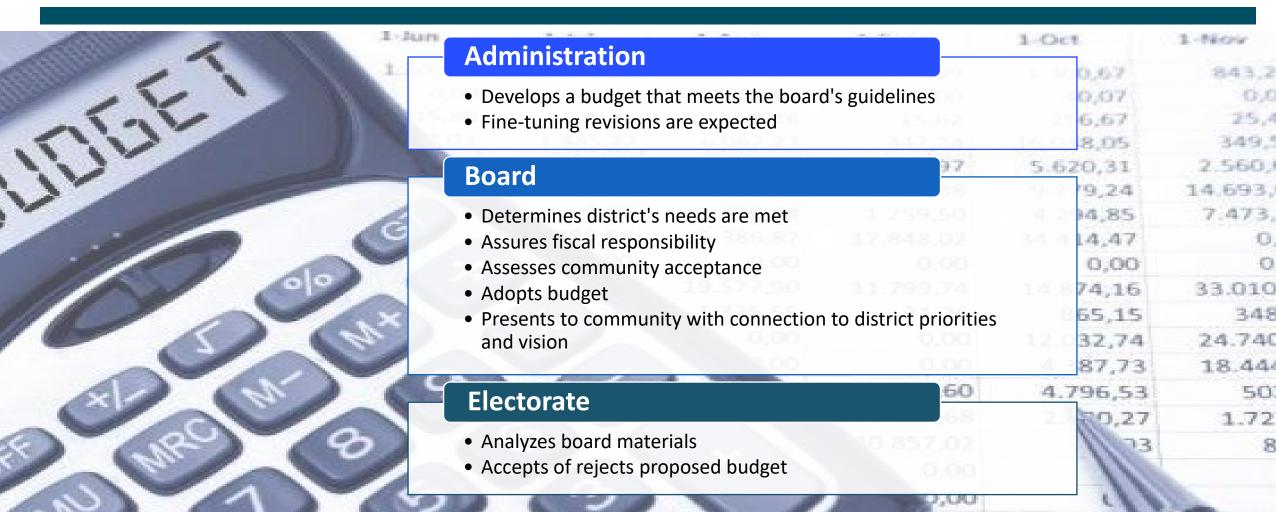
### **Delegate to Administration**

- Reflect priorities and board guidelines
  - Reasonableness of cost per student
  - Projected tax rates
  - Broad educational priorities
  - Broad financial guidelines





## Finalize the Budget







## **Key Elements of the Budget**

#### Expenses: Total amount needed to operate the district

- Instruction
- Instructional Support
- Administration

#### Revenue: Money received from various sources

- Local: fund balance, tuition received, interest earned
- State: SPED, Transportation
- Grant: Medicaid, IDEA-B

#### State Education Fund

• Total projected spending - revenue = grant amount from the Education Fund





## **Understanding the Budget**



Revenue

Amount to be received from State Education Fund

(education taxes are generated based on this calculation.)





## **Reviewing Budget Recommendation**

Description					Actual FY 20		А	Actual FY 21		Budget FY 21		Budget FY 22		2 \$ (	\$ Change		% Change			
200	Compliant population Part					1								ad land if datas						May trepundation place
						Declaration - Special Education PK (1					=									
										62	153	LE			160	165			100	
										152						152				
								E			Tax									
											1560									
																				5





## **The Budget Cycle – Part 2**

Represents communities' values in next budget cycle

Admin

Provides financial statements

Board

Board

Voters understand challenges; continue to support future budgets

Voters

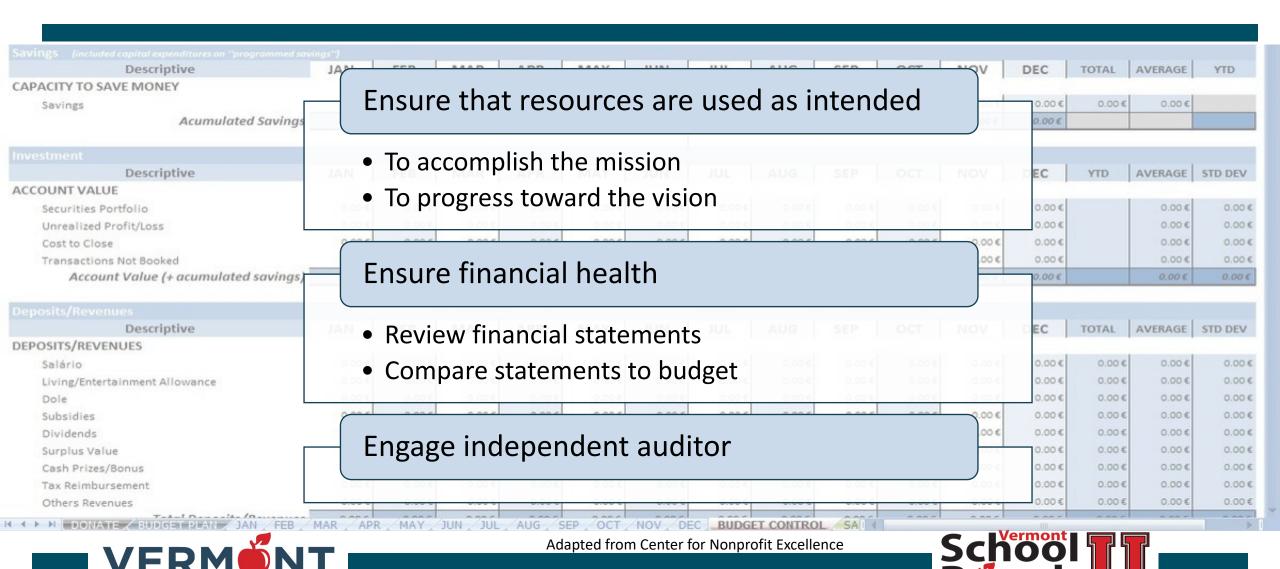
- a)Reviews financials; asks questions; raises concerns
- b) Shares results openly with public





## Financial Monitoring: The Board's Role

SCHOOL BOARDS ASSOCIATION
© 2021. Vermont School Boards Association. All rights reserved.



## Financial Monitoring: The Board's Role



### High level perspective

- Ensure resources are being used as intended to accomplish goals
  - Is district spending as budgeted and expected?
- Investigate large variances and resolutions

### Ensure financial health

- Review financial reports
- Compare financial statements to budget

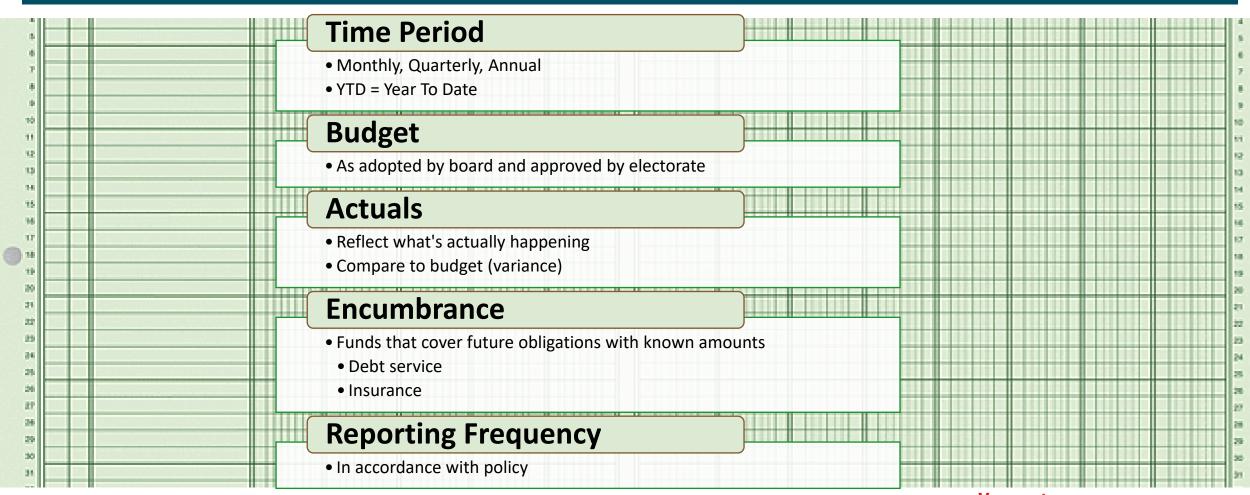
### **Recommended Policies**

- Fiscal Management and General Financial Accounting
  - VSBA Model Policy F20
- Financial Reports and Statements
  - VSBA Model Policy F21





## **Understanding Financial Statements**







## Financial Statements: Key Questions



### Time Period

- What's being measured?
- Frequency of review

### Performance vs. budget

- Identify unexpected trends
- Question large variances
  - Probe management plans for addressing variances

#### **Format**

- Are you getting the right information?
- What else do you need to know in order to perform your oversight role?





### **Reviewing Financial Reports and Statements**

Expense Budget for FY21 March 31st, 2021

Function	Description	REVISED BULGET	YT Expunse	3Q21 Projected Fiscal Total	Variance to 6/30 B/(W)
1101/1102	INSTRUCTIONAL	24,921,935	21,256,653	31,179,033	343,960
1201/1202	SPECIAL EDUCATION	12,556,437	7,473,857	12,410,112	146,325
1203	504 CLASSIFICATION	210,220	82,155	132,928	77,292
1401/1501	ATHLETICS & COCURRICULARS	1,548,138	673,267	1,065,931	482,207
	TOTAL INSTRUCTIONAL	49,136,794	29,485,937	48,087,010	1,049,784
2120	GUIDANCE	2,798,319	1,879,700	2,834,848	(36,529)
2131	HEALTH	798,240	519,206	841,862	(43,622)
21X0	STUDENT SUPPORT SERVICES	2,663,891	1,756,496	2,592,716	71,175
2212	INSTRUCTION AND CURRICULUM	1,070,822	490,543	768,157	302,665
2213	INSTRUCTIONAL STAFF TRAINING	897,574	230,699	351,407	546,167
2220	LIBRARY/MEDIA SERVICES	1,188,811	681,980	1,167,405	21,406
2230	INSTRUCTION-RELATED TECH	470,241	365,443	521,899	(51,658)
	TOTAL STUDENT SUPPORT	9,887,898	5,924,067	9,078,294	809,604
2311	BOARD OF EDUCATION	244,652	191,307	281,386	(36,734)
2320	EXECUTIVE ADMIN / SUPPORT SVCS	1.205.096	758.845	1.065.753	139.343
1					- V





## **Internal Controls: Separation of Duties**

### **School Board**

Approves expenditures

#### Administration

Prepares warrants and checks

#### Treasurer

Releases the funds





### The Audit



#### Reviews district financial statements

Reasonable assurance that financial statements are accurate

#### Reviews internal controls

- Defines the district's risk assessment
- Determines depth of auditing procedures

#### **Board Duties**

- Understand the scope of services provided by an audit
- Read and discuss the Auditor's Letter/Opinion and Management Discussion and Analysis
- Ask questions











### **Vermont School Boards Association Staff**



Sue Ceglowski Executive Director

sceglowski@vtvsba.org



Sandra Cameron
Director of Public
Policy

scameron@vtvsba.org



Susan Holson
Director of
Education
Services

sholson@vtvsba.org



Kerri Lamb Director of Operations

klamb@vtvsba.org

