

THE LAKE AND PENINSULA SCHOOL DISTRICT
Finance Committee Meeting AGENDA
December 5, 2024, 9:00 AM

Agenda

1. Finance Committee Agenda & Documents

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LPSD Finance Committee

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December 5, 2024

Goals

- Review of norms for committee meetings
 - ◆ Board Committee Discussion
 - ◆ Public welcome as active observers
 - ◆ Superintendent & Board Responsibilities: Budget & Finance

- Information/Slides for Today
 - ◆ Demo of Clear Gov - Budget Transparency Software for LPSD Website (10:30 AM)
 - ◆ Questions by board members & Board Meeting Discussion
 - ◆ Revenue Considerations/Brainstorming Ideas
 - ◆ Public Comment

- Takeaways
 - ◆ Set a date for the next meeting.

Information: Alaska Schools Business Operations

- *How other school districts are managing in-district versus out of district finance departments (next slide with details)*
- *Can migrant ed be used for food service?* - No, DEED staff confirmed since ⁴ USDA funds lunch migrant funds can not be used for this purpose.
- *Are elders lunches still reimbursed without use of USDA program?* - Yes! Thank you to Colter and Laura for their work to ensure this continues to be reimbursed for sites moving away from USDA. Kokhanok, Newhalen, Perryville and Port Heiden are participating in the BBNA Elders lunch program

LPSD Finance Committee data 12/5/2024

Alaska Schools Business Operations

A review of Alaska school district business office operations shows that 53% of districts with enrollment under 500 students and 18% of districts with enrollment greater than 500 utilize out of district employees or contractors to perform district financial operations. For a total of 22 of the 53 districts or 42% of Alaska school districts.

A recent Anchorage Daily News article reported the number of nonresidents in the Alaska workforce is at a 25 year high with nearly 23% of the workforce living outside the State in 2023, according to preliminary data released by Dan Robinson, research chief with the Alaska Department of Labor and Workforce Development. (DeMarban, 2024)

LPSD and BBRCTE workforce distribution:

2024 data	LPSD	BBRCTE	#W2's	%
Total Employees	269.45	9.55	279	%
In District	249.45		249.45	89%
In Region	5	1.5	6.5	2%
Out of Region	11	7.05	18.05	6%
out of state	4	1	5	2%

Out of 24 positions, 20 are from outside the region or state, yet have lived within our communities, therefore have an understanding of the structure of our schools and systems on the ground. Of those, five employees now live in the region. Two are LPSD graduates. The 24 positions also include 1.5 FTE BBNC interns who grew up in LPSD. BBNC places interns in our region, and candidates can also apply.

Due to reductions in BBRCTE funding, staff for the 2024-2025 year has been reduced. The out-of-state BBRCTE employee plans to move back into the district soon.

Contributing factors for small Alaska districts include community population linked to available workforce, availability of banking facilities, transportation hub, infrastructure and available resources.

Available workforce to fill jobs is shrinking nationwide, with demand for employees exceeding the supply all sectors struggle to fill openings. Nationwide teacher shortages highlight this issue and are driving recruitment out of the country with visa programs. LPSD was fortunate this year to fill all our teaching positions with US residents.

Out of region and out of state staff occur for various reasons prior to COVID with medical needs, housing and daycare the top drivers. COVID created an environment in which travel was limited at best. Hiring new employees with no experience and limited travel for in person training and oversight presents a unique challenge. Limited or no candidates applied for positions when they were advertised

Governmental Accounting Structure & Chart of account

School District are subject to State, Federal and Accounting standards

- Governmental Accounting Standards Board (GASB) [GASB](#)
- Generally Accepted Accounting Principles (GAAP)
- Single Audit Acts - federal and state
- Office of Management and Budget (OMB) Code of Federal Regulations
CFR [LPSD Federal Awards Procurement Policy](#)
- AK Statutes
- Alaska Dept. of Ed. Uniform Chart of Accounts [Chart of Accounts](#)
- District Procedures and Internal Controls

Audit Process: Governs Entire Finance Department Actions

- State compliance, Federal compliance
- GASB and GAAP compliance
- Program compliance - Federal Catalog of Federal Domestic Assistance (CFDA) each have their own Compliance supplement that dictate audit requirements under OMB 2 CFR Part 200 Appendix XI
- State program compliance supplements on state funds [State Single Audit](#)
- Process for Audit
 - Testwork:
 - 40 Samples of Cash Disbursements - general accounts payable checks and ach payments
 - 40 Samples of Cash Receipts
 - 40 samples of Payroll checks
 - Material Checks - all checks FY24 - 56 material checks
 - General Fund \$30K or greater
 - Capital Projects Funds \$7,500 or greater
 - All other funds \$10K or greater
 - Compliance - grants and programs are selected annually for added compliance work per the program supplement
 - General review of all Assets, Liabilities, Revenues and Expenses for each fund
 - Draft financial statements, multiple levels of auditor review and management
 - Issue financial statements due to DEED by November 15th annually per statute
- Review FY25 statements for questions prior to Board Meeting

Budget and Transparency Software - 10:30 demo

Feedback from the board and the public regarding budget and generating understanding and ideas:

One potential solution to facilitate more input and ideas.

Consider the purchase of software to assist in development, distribution, review, comment and transparency for the district budget process.

Association of School Business Officials International (ASBO) provided information for software called CLEARGOV, it is tailored to both the ASBO and Government Finance Officers Association (GFOA) established best practices in governmental budgeting.

The links provide demonstration information of the software. Operating Budget, Personnel Budget, Digital Budget Book and the Transparency. A demo can be presented alongside potential costs December committee meeting.

[DBB Example](#)

[DBB Example](#)

[Transparency Example](#)

For the future...

- Addressing building maintenance and understanding historical/present finances/structure/relationship with Borough

Revenue Considerations

90% of LPSD funding is from student enrollment - attachment explaining projected enrollment for 2024-2025.

Discussion on revenue ideas...

Initial projection used for FY25 budget estimates

STEP 1: SCHOOL SIZE ADJUSTMENT				
SCHOOL	20 Day Enrollment/ADM	under 10 + regular	FORMULA	Adjusted ADM
Levelock School	14		39.6	39.60
Nondalton School	19		39.6	39.60
Chignik Lagoon School	15		39.6	39.60
Chignik Lake School	21		{39.60 + (1.62*(21-20))}	41.22
Perryville School	21		{39.60 + (1.62*(21-20))}	41.22
Igugig School	21		{39.60 + (1.62*(21-20))}	41.22
Port Heiden School (Meshik)	21		{39.60 + (1.62*(21-20))}	41.22
Kokhanok School	35		{39.60 + (1.62*(28-20))}	63.25
Port Alsworth School (Tanalian)	37		{55.8 + (1.49*(40-30))}	66.23
Newhalen School	83		{122.85 + (1.27*(83-75))}	133.01
Chignik Bay School			39.6	
Pilot Point School			39.6	
	287			
STEP 1 A: Hold Harmless for >5% decrease in ADM				19.84
Total ADM				566.01

Actual FY25 foundation based on the 20-day count in October and adjusted for duplicates.

STEP 1: SCHOOL SIZE ADJUSTMENT				
SCHOOL	20 Day Enrollment/ADM	under 10 + regular	FORMULA	Adjusted ADM
Levelock School	12		39.6	39.60
Chignik Lagoon School	14		39.6	39.60
Igugig School	20		39.6	39.60
Chignik Lake School	22		{39.60 + (1.62*(22-20))}	42.84
Nondalton School	20.8		{39.60 + (1.62*(20.8-20))}	40.90
Perryville School	22.6		{39.60 + (1.62*(22.6-20))}	43.81
Port Heiden School (Meshik)	26.75		{39.60 + (1.62*(22.6-20))}	50.54
Kokhanok School	35.15		{55.8 + (1.49*(36.15-30))}	63.47
Port Alsworth School (Tanalian)	37.2		{55.8 + (1.49*(37.2-30))}	66.53
Newhalen School	70.3		{55.8 + (1.49*(70.3-30))}	115.85
Chignik Bay School			39.6	
Pilot Point School			39.6	
	280.8			
STEP 1 A: Hold Harmless for >5% decrease in ADM				19.84
Total ADM				562.57

Takeaways...

- What to focus on for January meeting:
 - ◆ FY26 Budget - revenue projections
 - ◆ Governor's Budget information

- Next meeting date:

Budget & Finance

THE BOARD Adopts & monitors

1. Establishes priorities for the fiscal management of the district.
2. Receives the audit report from the auditor and with them, explores the internal controls of the district, major changes in fiscal procedures, adequacy of budget preparation and other concerns of the board and/or the auditor.
3. When used, appoints the budget committee.
4. Provides the superintendent with the Board's priorities in the development of the budget.
5. Approves, adopts and monitors an annual budget.
6. Provides leadership in securing community support for budget.
7. Establishes the limit for a budget transfer that can be done without board approval.
8. Reviews and approves warrants to pay bills, purchase supplies, equipment or services in accordance with board policy.
9. Adopts policies for the accounting of all school funds, and for the reporting of fiscal information to the board.
10. Recruits, interviews and hires an external auditor who is directly responsible to the board.

THE SUPERINTENDENT Prepares, administers, monitors, audits details

1. Serves as the district budget officer.
2. Prepares a detailed budget based on the board's priorities and parameters.
3. Presents a budget to the board and budget committee for their consideration and approval.
4. Seeks board approval for expenditures according to board policy.
5. Administers the budget and assures expenditures of district funds are within the legal requirements of the budget.
6. Coordinates efforts to obtain community support for district financing.
7. Establishes a control system and oversees monthly report for financial accounting in accordance with board policy and state law.
8. Obtains board approval to transfer funds exceeding amount set by board policy.
9. Provides the board with a list of bidders for purchases exceeding amounts established by law or district policy.
10. Assists the auditor by assuring that pertinent staff and appropriate information is available on request.