

# Financial Matters

## Audit and Budget Processes

MSD of Pike Township School Board Work Session

November 11, 2021



# Audit Considerations

## **Current Reality**

- Bi-annual audits from SBOA
  - Fiscal year basis
  - Needed for July 2019 – June 2021
  - Has not started yet
  - May be outsourced
- Limits available financial data during bond issuances
- Delays identification of issues

## **Proposed Situation**

- Annual audits from CPA firm chosen by Pike
  - Fiscal year basis
  - Increased control over engagement timeline
- Increased transparency to bond holders and stakeholders
- Timely feedback on issues

# Audit Opt-Out Process

- Develop Audit Committee
  - Member from the Board of Education
  - Certified Public Accountant (CPA)
  - Person with financial knowledge chosen by the superintendent
- Establish the committee through resolution
- Authorize Opt-out process through resolution
  - Complete and submit 120 days before the start of the fiscal year to be audited
  - December authorization would allow for the independent audit of FY2023

# Audit Committee Proposal

## **Roxanne Hamm-Vaden**

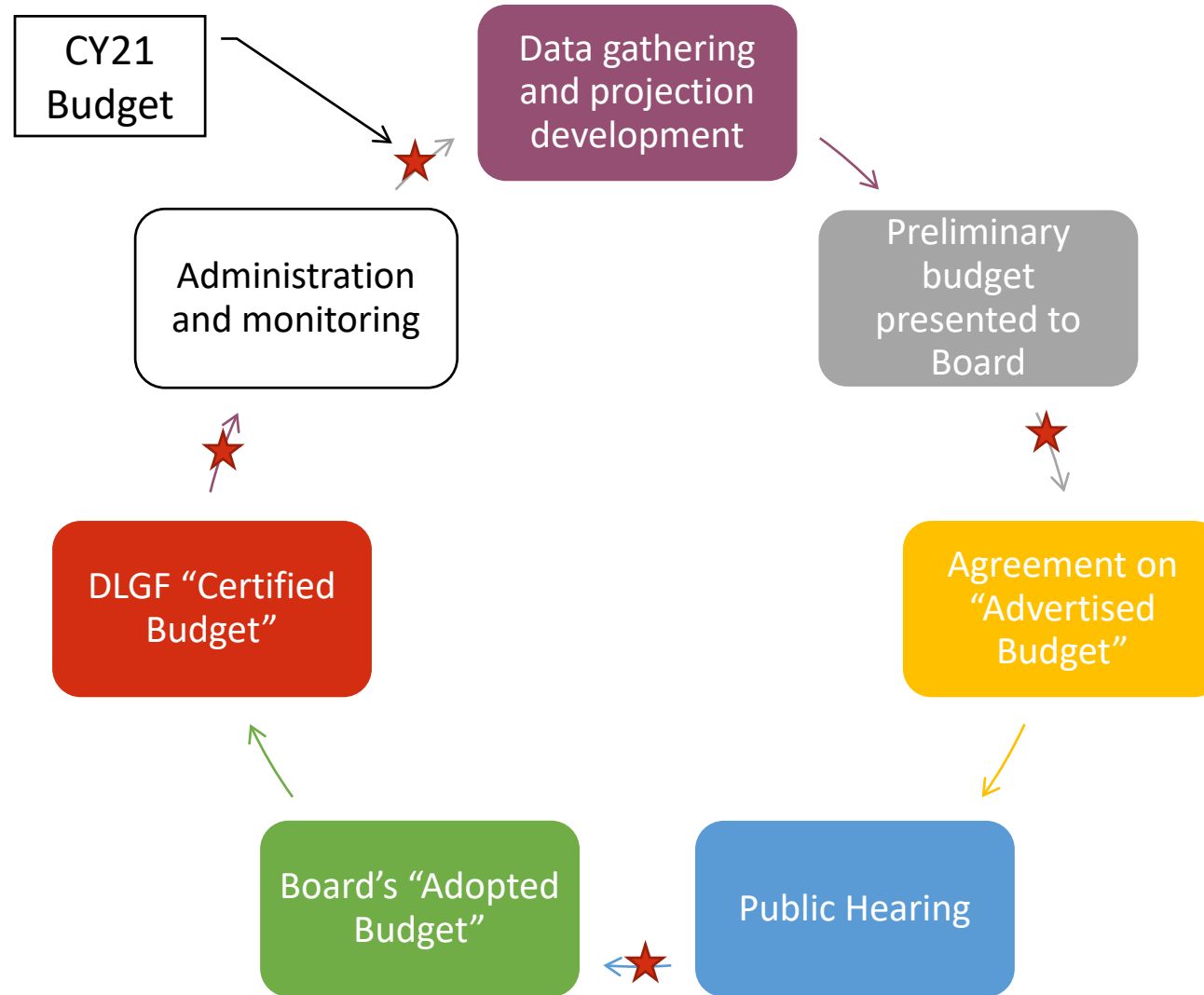
- Certified Public Accountant
- BS from Kelly School of Business
- Eight years in public accounting
- Pike resident

## **Mychal Eagleson**

- Superintendent choice
- BS from Indiana Wesleyan
- Certifications: CFP<sup>®</sup> AIF<sup>®</sup> ChSNC<sup>®</sup>
- Nine years in financial advisory
- Representative for Pike's VEBA plan
- Pike graduate

**Board Member: ???**

# Review of Budget Phases



# Additional Appropriation Resolution Needed

- **Education Fund**
- More accurate projections available
- Must authorize expenditures over certified budget
- Verify available funds
- Funds are available **without** the use of fund balance
  - No planned transfers out

	<b>Amount (\$)</b>
Expenditures thru 10/2021	61,442,410
Extrapolated 12/2021	73,785,217
Encumbrances	1,020,991
Potential expenditures	74,806,208
Certified budget	72,000,000
Revenues thru 10/2021	66,193,294
Extrapolated 12/2021	79,659,153

# Additional Appropriations Resolution Next Steps

- Set appropriation amount
  - Certified appropriation of \$72,000,000
  - Projecting expenditures of \$74,806,208
  - Projecting revenues of \$79,659,153
  - Suggested addition appropriation of \$4,000,000 (total of \$76M)
- Must have public hearing
  - Post hearing date, time, place, and details next week
  - Hold public hearing during next scheduled board meeting
- Adoption can occur immediately following the hearing
- File Resolution with DLGF

# Reduction of Appropriations Resolution

- **Operations Fund**
- More accurate projections available
- Compare to projected budget
- Official recognition of reduction in expenditures

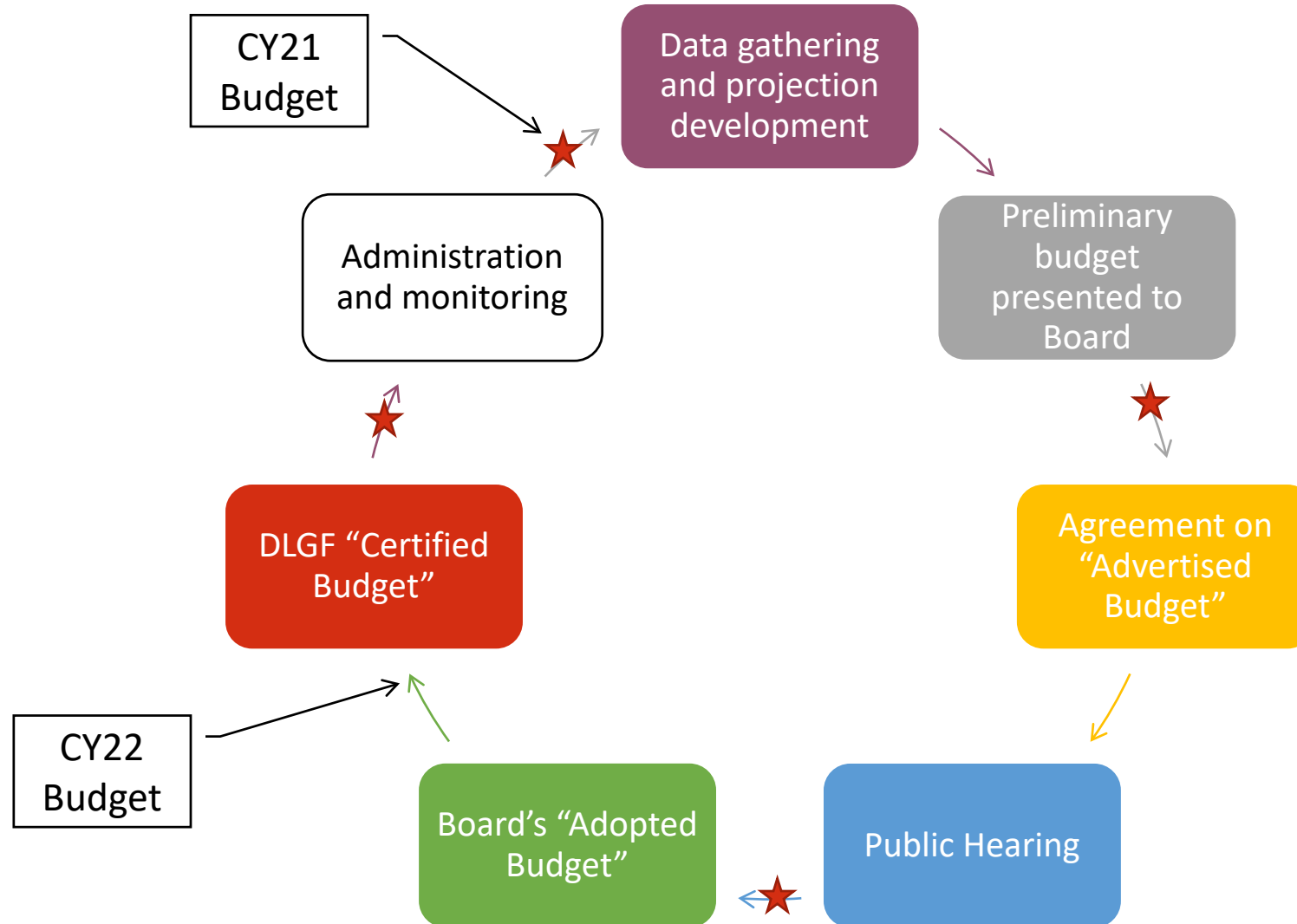
	<b>Amount (\$)</b>
Revenues thru 10/2021	15,521,253
Extrapolated 12/2021	30,990,165
Certified Levy	28,407,971
Expenditures thru 10/2021	19,546,124
Extrapolated 12/2021	23,455,348
Appropriated budget	41,313,395



# Reduction of Appropriations Resolution Next Steps

- Adopt resolution tonight
- File resolution with DLGF
- Revise 1782 Notice for increased beginning balance for CY22 budget

# Review of Budget Phases



# CY22 Budget Update and Future Budget Planning

- CY22 Budget Status
  - Documentation submitted in Gateway
  - Adopted Budget Book publication planned by Thanksgiving
  - Awaiting 1782 Notice of Certified Budget from DLGF
  - Finalize salary distributions
  - Revise and republish as Certified Budget Book

## CY2022 Board of Education Adopted Budget



MSD of Pike Township  
6901 Zionsville Road  
Indianapolis, IN 46268  
www.pike.k12.in.us

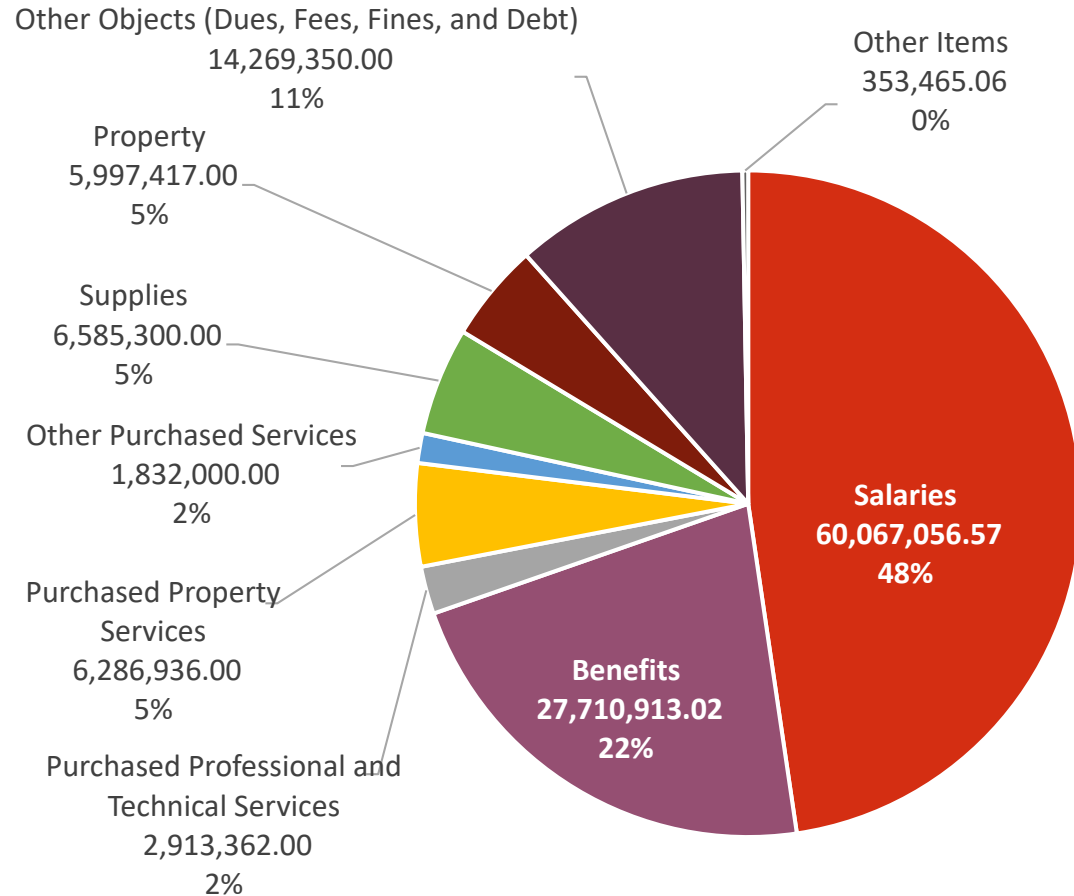


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# Budget Review - Expenditures

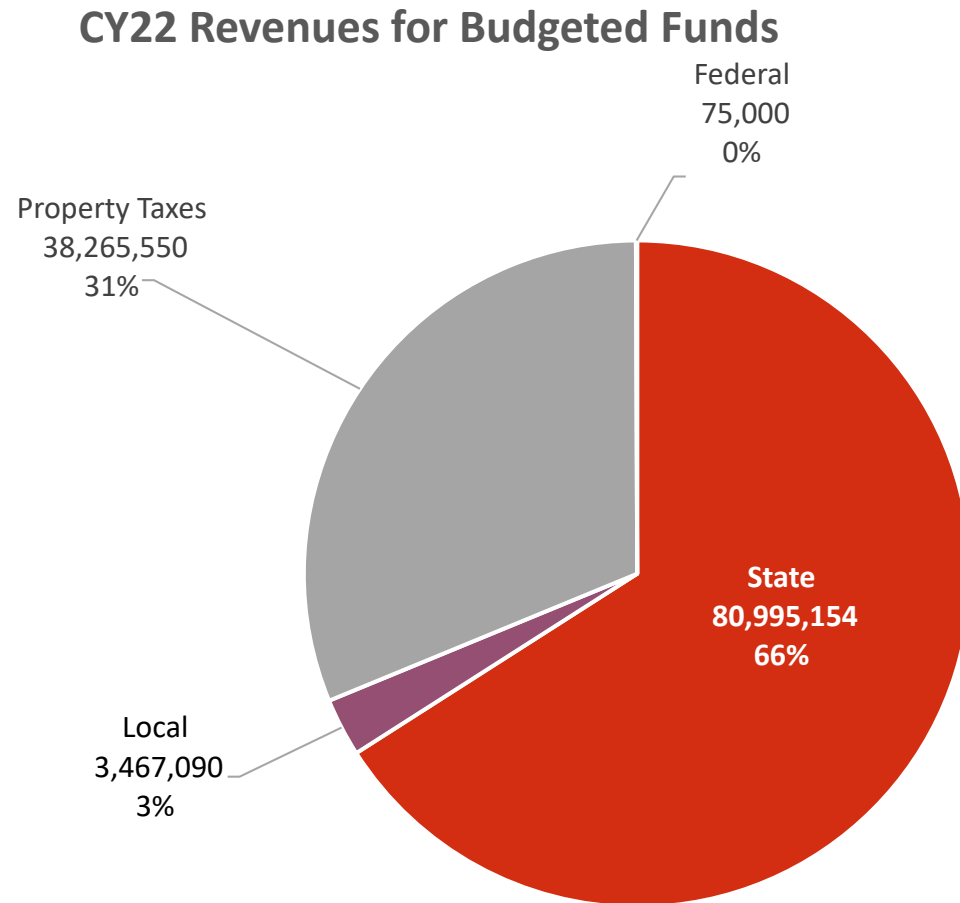
## CY22 Expenditures for Budgeted Funds



- Salaries & Benefits = 70%
- Staff Composition
  - Total ~1,350
  - Teachers\* ~730
- “Contract” Cycle
  - Calendar Year (Jan-Dec) ~60
  - Fiscal Year (Jul-Jun) everyone else
    - Approximately 1,300 staff

\* Includes Media Specialists, School Counselors, and others provide teacher contracts.

# Budget Review - Revenues



- **State Revenues**
  - Majority of budget revenues
  - Driven by school-year student counts
  - Paid over fiscal year (Jul-Dec)
- **Local Revenues**
  - Largely fees based on fiscal year
- **Other Fiscal Year Revenues**
  - State grants
  - Federal Title Grants
  - School Nutrition Funding

\* Includes Media Specialists, School Counselors, and others provide teacher contracts.

# Budget Process Modifications

- Majority of revenue and expenditures are tied to the fiscal year
- Move to Fiscal Year budgeting cycle
  - Used my IPS and Warren Township
  - Adopt resolution in January 2022
  - Coordinate with DLGF early 2022
  - Move “contract” cycle to Jul-Jun for all employees July 2022
  - Implement fiscal year budgeting for FY24
    - Aligns with the 2023-2024 School Year
    - Provides time for revised property tax processes – no large swing in rates
    - Enhanced accounting/reporting by matching actual expenditure and revenue timeframes
    - Improved alignment between student achievement results, district initiatives, strategic planning, and budget amounts

# Upcoming Conversations

- System enhancements
  - Single time and attendance software
    - Currently three (3) – including paper
    - While electronic forms; not integrated with Payroll = manual & inefficient process
  - Enhanced ERP Software
    - Web/Cloud accessibility
    - Automated approval process
    - Budget holder dashboard
    - Position control module
    - Asset management module
    - Enhanced vendor management
- Payroll processes
- Compensation Philosophy
- Salary schedules
- Purchasing Card Program
- Chartwells contract

## **GOALS**

- Improved internal controls
- Efficiencies and savings
- Increased transparency