

# Board Policy Review Committee Meeting Notes

## Borough Building, Assembly Chambers

### Meeting Notes

**Date/Time:** March 7, 2011, 2 PM

**Members:** Liz Downing– Absent  
John O’Brien – Present  
Sunni Hilts - Present  
Dave Jones – Present  
Sammy Crawford – Present  
Laurie Olson –Present

**Guests:**  
Tim Navarre - Present  
Sean Dusek – Present  
Liz Hayes - Present  
Mari Auxier – Secretary – Present

**Approval of Minutes:** The minutes from 11/1/10 were approved.

### Review of Policies

- *AR 0420 School-based Management/Site Councils*

People who are on stipends only have been interpreted as being an employee of the school district and have been deemed ineligible for membership on School Councils. This minor edit will allow their membership.

- *BP 3470 Fund Balance*

GASB 54 is a pronouncement by the Governmental Accounting Standards Board (GASB). The District previously made changes to the Equipment Fund policy because of GASB 54 that dealt with interest as a significant revenue source for the Equipment Fund. Continuing to implement changes brought about by GASB 54, we must now make changes to the categories of Fund Balance: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance. Changes are required by June 30, 2011 to remain compliant with Generally Accepted Accounting Procedures (GAAP). The old Reserved, Unreserved, Designated and Undesignated categories will no longer be accepted in reference to fund balance.

Also, although it is not required to make a commitment, if the board should decide to commit a certain portion of the Fund Balance, that commitment must be made by the Board prior to June 30. This commitment can be made as a range.

Because of the change in Fund Balance categories, the State of Alaska’s requirements regarding 10% of expenditures as the maximum allowed for Unreserved Fund Balance is not GAAP compliant, therefore, the District will need to do one statement according to GASB54 for the financial statement and another statement which is not GAAP compliant for the State.

Concerns about meeting the June 30 deadline for commitment were raised due to the June Board Meeting being scheduled for June 6. Dave expressed that a range of the anticipated dollar or percentage of the fund balance to be committed was acceptable.

A worksession is planned with the full Board on this prior to the April 4<sup>th</sup> and possibly May 2<sup>nd</sup> meetings.

Synopsis of changes:

- Definition and purpose of fund balance is the same.
- Classifications have changed
  - New classifications:
    - Nonspendable
    - Restricted
    - Committed
    - Assigned
    - Unassigned
  - Old (replaced) classifications
    - Reserved
    - Unreserved
      - Designated
      - Undesignated
- Policy
  - Auditors are OK with change from Unreserved Undesignated to Unassigned
  - The most restrictive classification should be used first so that the end of the year monies will be the least restricted.

Meeting Adjourned: 2:40 pm