



## KENAI PENINSULA BOROUGH SCHOOL DISTRICT

### Assistant Superintendent

Dave Jones

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May 31, 2011

### MEMORANDUM

TO: Board of Education

FROM: Dave Jones, Assistant Superintendent

THROUGH: Steve Atwater, Superintendent

SUBJECT: Fund Balance

We continue to work with our auditors in preparation for year-end under the new GASB54 regulations.

I have attached a copy of our actual Schedule of Compliance for the year ended June 30, 2010 and a **Sample** of a Schedule of Compliance for the year ending June 30, 2011. The amounts in the **Sample** are for illustration purposes only and do not reflect KPBSD's financial information.

The Sample does show how the new calculation will be performed as per AS 14.17.505.

At this time it does not appear that we will be recommending the Board make any commitments of fund balance at year end.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 SCHEDULE OF COMPLIANCE - AS 14.17.505  
 Year Ended June 30, 2010

School Operating Fund			
	Reserved Fund Balance	Unreserved Fund Balance	Total
Reserved:			
Encumbrances	\$ 2,095,972	\$ -	\$ 2,095,972
Inventories	769,189	-	769,189
Prepaid Expenses	1,211,684	-	1,211,684
Self Insurance Health Care	4,994,173	-	4,994,173
Unreserved:			
Designated			
School Incentive Purchases	-	584,169	584,169
Charter Schools	-	675,350	675,350
Subsequent Year Operations	-	4,531,115	4,531,115
Facilities Maintenance	-	401,999	401,999
Undesignated	-	5,737,714	5,737,714
	<u>\$ 9,071,018</u>	<u>\$ 11,930,347</u>	<u>\$ 21,001,365</u>

Unreserved fund balance as a percentage of current year expenditures:

$$\frac{\text{Unreserved fund balance}}{\text{Current year expenditures}} = \frac{11,930,347}{120,968,639} = 9.86\%$$

**SAMPLE SCHOOL DISTRICT**  
 Schedule of Compliance - AS 14.17.505  
 Year Ended June 30, 2011

Total fund balance - School Operating Fund	\$	1,091,964
less exemptions per 4 AAC 09.160(a):		
Encumbrances		37,371
Inventory		131,963
Prepaid items		10,000
Self insurance		100,500
Federal impact aid received		<u>116,403</u>
Fund balance subject to 10% limitation	\$	<u><u>695,727</u></u>

Nonexempt fund balance as a percentage of current year expenditures:

<u>Fund balance subject to limitation</u>	<u>695,727</u>	=	<u>7.92%</u>
Current year expenditures	8,789,332		