



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Finance

Melody Douglas, Chief Financial Officer
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-5867
Email mdouglas@kpbsd.k12.ak.us

February 23, 2009

MEMORANDUM

TO: Board of Education

THROUGH: Dr. Donna Peterson, Superintendent

FROM: Melody Douglas, CFO

SUBJECT: FY10 Budget

BACKGROUND

Annually, the administration presents a recommended spending plan for the subsequent year to the Board of Education for approval. Board action on the FY10 budget is scheduled for the April 13, 2009 Board meeting. After Board approval and prior to May 1, the budget must be forwarded to the Kenai Peninsula Borough Assembly for action in keeping with Alaska State Statute 14.14.060. Within 30 days after receipt of the budget, the Assembly will determine the total amount of local effort funding to be provided to the District.

PERTINENT INFORMATION:

The FY10 budget information remains the same as presented in the Preliminary Budget dated February 16, 2009. Issues that affect the FY10 budget include the collective bargaining process currently underway, adjustments to property, liability, and workers compensation insurance, and other in-kind budget adjustments. It is hoped that the employee negotiations process will be sufficiently completed and in-kind budget information will be received in time to adjust the FY10 budget prior to approval by the Board of Education in April.

RECOMMENDATION:

The administration recommends the Board of Education approve a general fund budget of \$123,739,902 and special revenue funds totaling \$18,085,300 for a total FY10 budget for all funds of \$141,825,202 as presented. This recommendation includes an allocation of fund balance in the amount of \$1,202,060.

ADDITIONAL INFORMATION:

FY10 Budget Revision Summary:

Revenue Budget

Preliminary general fund revenue budget	<u>\$122,533,842</u>
Allocation of fund balance	<u>1,206,060</u>
Recommended general fund revenue budget	<u>123,739,902</u>
Special revenue funds	18,085,300
Total recommended revenue budget	<u>\$141,825,202</u>

Expenditure Budget

Preliminary general fund expenditure budget	<u>\$123,739,902</u>
Special revenue funds	18,085,300
Total recommended expenditure budget	<u>\$141,825,202</u>

Fund Balance: The use of fund balance for ongoing operational expenses creates a potential challenge in budgeting for subsequent years. In the future, additional revenue will be needed to offset the use of fund balance. If sufficient funds are not realized to address routine annual increases and/or the amount covered by the fund balance allocation, the District will need to make reductions to the future year budgets.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

**2009-2010 Budget
All Government Funds - Revenue**

2005-06 Actual	2006-07 Actual	2007-08 Actual	Revenue Source	Original 2008-09 Budget	Revised 2008-09 Budget	Preliminary 2009-10 Budget	Change	% of Chg
General Fund Revenue:								
\$ 7,386,090	\$ 7,553,047	\$ 7,755,139	Borough In-Kind	\$ 8,430,622	\$ 8,430,622	\$ 8,153,940	\$ (276,682)	(3)
27,587,592	30,388,629	29,945,978	Borough Appropriation	32,456,264	32,716,323	34,869,043	2,152,720	7
494,410	1,067,126	1,746,568	Interest	420,000	420,000	420,000	-	-
508,938	657,616	722,224	E-Rate	636,320	636,320	646,000	9,680	2
17,100	16,600	25,100	Rentals	30,000	30,000	30,000	-	-
68,292	85,620	202,895	Other Local Revenue	50,000	50,000	50,000	-	-
-	-	-	Allocation of Fund Balance	1,668,872	440,627	1,206,060	765,433	174
<u>36,062,422</u>	<u>39,768,638</u>	<u>40,397,904</u>	Total Local Revenue	<u>43,692,078</u>	<u>42,723,892</u>	<u>45,375,043</u>	<u>2,651,151</u>	<u>6</u>
State Revenue:								
49,779,053	59,959,314	54,567,210	Foundation Program	61,187,238	62,317,926 *	63,027,255	709,329	1
-	-	5,955,888	1/4 ISER per Governor's Budget Proposal	-	- *	-	-	100
-	-	19,322,147	PERS/TRS Payment	14,640,379	14,640,379 **	14,640,379	-	100
224,126	995,531	223,093	Learning Opportunity Grant/Quality Schools	239,561	245,599	247,225	1,626	1
-	-	1,517,638	School Improvement Grant	-	-	-	-	-
110,355	120,577	1,394,329	Other State Revenue	-	-	-	-	-
<u>50,113,534</u>	<u>61,075,422</u>	<u>82,980,305</u>	Total State Revenue	<u>76,067,178</u>	<u>77,203,904</u>	<u>77,914,859</u>	<u>710,955</u>	<u>1</u>
Federal Revenue:								
526,918	492,697	549,023	Medicaid	450,000	450,000	450,000	-	-
-	-	233	Crude Oil Refund	-	-	-	-	-
17,250	-	-	Hurricane Katrina	-	-	-	-	-
<u>544,168</u>	<u>492,697</u>	<u>549,256</u>	Total Federal Revenue	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>
<u>86,720,124</u>	<u>101,336,757</u>	<u>123,927,465</u>	Total General Fund Revenue	<u>120,209,256</u>	<u>120,377,796</u>	<u>123,739,902</u>	<u>3,362,106</u>	<u>3</u>
Special Revenue Funds Revenue and Other Financing Sources								
-	-	95,616	Alaska Works	245,607	279,261	250,000	-	-
224,804	187,143	140,144	Carl Perkins Fund	192,032	198,740	202,715	3,975	2
346,106	39,530	40,921	Charter Schools Fund	-	-	-	-	-
197,606	-	-	Community Schools Fund	-	-	-	-	-
29,106	41,160	44,810	Community Theater Fund	60,000	60,000	60,000	-	-
460,000	146,707	367,243	Legislative Grants *	-	825,427	725,000	(100,427)	(12)
2,644,242	2,633,722	2,676,004	Food Service Fund	2,960,000	2,970,800	2,859,000 **	(111,800)	(4)
800,632	568,998	382,685	Miscellaneous Grants Fund	350,000	414,488	450,000	35,512	9
4,011,938	2,957,723	3,715,958	NCLB Fund	3,346,077	4,973,850	3,601,823	(1,372,027)	(28)
-	237,534	455,481	Principal Coach	455,500	413,000	417,250	4,250	1
4,592,424	4,542,449	4,445,097	Pupil Transportation Fund	4,861,652	5,453,205	5,771,986	318,781	6
262,813	282,055	365,526	Statewide Mentorship	370,145	76,436	77,965	1,529	2
2,697,723	2,276,794	1,856,626	Title VI-B Fund	2,215,378	3,114,869	2,375,465	(739,404)	(24)
270,719	290,474	287,390	Title VII, Indian Education Fund	310,000	317,861	310,000	(7,861)	(2)
-	111,678	99,638	Youth First	100,000	100,000	100,000	-	-
206,573	213,720	208,785	Youth In Detention	210,000	217,356	210,000	(7,356)	(3)
<u>16,744,686</u>	<u>14,529,687</u>	<u>15,181,924</u>	Total Special Revenue Funds Revenue	<u>15,676,391</u>	<u>19,415,293</u>	<u>17,411,204</u>	<u>(1,974,828)</u>	<u>(10)</u>
<u>\$ 103,464,810</u>	<u>\$ 115,866,444</u>	<u>\$ 139,109,389</u>	Total Revenues and Other Financing Sources	<u>\$ 135,885,647</u>	<u>\$ 139,793,089</u>	<u>\$ 141,151,106</u>	<u>\$ 1,387,278</u>	<u>1</u>

* Multi-year Grant Awards

** Transfers not considered revenue

Revenue	141,151,106
Transfer	674,096
Total Revenue and Transfer	\$ 141,825,202

KENAI PENINSULA BOROUGH SCHOOL DISTRICT

2009-2010 Budget
All Government Funds - Expenditures

2005-06 Actual	2006-07 Actual	2007-08 Actual	Expenditure Summary by Function	Original 2008-09 Budget	Revised 2008-09 Budget	Preliminary 2009-10 Budget	Change	% of Chg
General Fund Expenditures								
\$ 40,582,039	\$ 45,362,472	\$ 56,412,077	Instruction	\$ 59,335,432	\$ 58,570,043	\$ 60,861,411	\$ 2,291,368	4
8,584,176	9,513,798	12,667,079	Special Education - Instruction	12,656,362	12,940,826	13,130,349	189,523	1
3,208,595	3,528,292	4,357,216	Special Education - Student Services	4,426,259	4,640,418	4,802,719	162,301	3
2,570,227	2,854,976	3,561,659	Support Services - Student	3,538,947	3,590,355	3,688,685	98,330	3
1,939,417	2,061,766	2,391,393	Support Service - Instruction	2,411,036	2,463,492	2,463,473	(19)	-
4,447,682	4,712,425	5,636,598	School Administration	5,430,301	5,456,208	5,511,331	55,123	1
3,186,117	3,415,962	3,771,157	School Administration - Support	3,716,377	4,048,939	4,109,130	60,191	1
806,948	826,561	950,172	District Administration	988,573	999,621	1,034,876	35,255	4
3,393,748	3,765,948	4,545,472	District Administration Support Svcs	5,241,229	5,315,773	5,267,842	(47,931)	-
15,517,792	16,142,036	17,687,432	Operation of Plant	20,175,333	20,034,552	20,493,579	459,027	2
1,199,233	1,606,325	1,751,011	Pupil Activities	1,668,376	1,696,538	1,702,411	5,873	0
-	-	-	Transfer to Other Funds	621,031	621,031	674,096	53,065	9
<u>85,435,974</u>	<u>93,790,561</u>	<u>113,731,266</u>	Total General Fund Expenditures	<u>120,209,256</u>	<u>120,377,796</u>	<u>123,739,902</u>	<u>3,362,106</u>	<u>3</u>
Special Revenue Funds Expenditures and Other Financing Uses - Transfer to General Fund								
-	-	95,616	AK Works	245,607	279,261	250,000	-	-
224,804	187,143	140,144	Carl Perkins Fund	192,032	198,740	202,715	3,975	2
346,106	39,530	40,921	Charter Schools Fund	-	-	-	-	-
237,910	-	-	Community Schools Fund	-	-	-	-	-
33,945	56,971	56,027	Community Theater Fund	60,000	60,000	60,000	-	-
460,000	146,707	367,243	Legislative Grant *	-	825,427	725,000	(100,427)	(12)
2,985,532	2,974,349	2,973,342	Food Service Fund	3,581,031	3,591,831	3,533,096 **	(58,735)	(2)
797,087	601,134	470,250	Miscellaneous Grants Fund	350,000	414,488	450,000	35,512	9
4,011,938	2,957,723	3,715,958	NCLB Fund	3,346,077	4,973,850	3,601,823	(1,372,027)	(28)
-	237,534	455,481	Principal Coach	455,500	413,000	417,250	4,250	1
4,674,831	5,147,858	5,405,975	Pupil Transportation Fund	5,453,205	5,453,205	5,771,986	318,781	6
262,813	282,055	365,526	Statewide Mentorship	370,145	76,436	77,965	1,529	2
2,697,273	2,276,794	1,856,626	Title VI-B Fund	2,215,378	3,114,869	2,375,465	(739,404)	(24)
270,719	290,474	287,390	Title VII, Indian Education Fund	310,000	317,861	310,000	(7,861)	(2)
-	111,678	99,638	Youth First	100,000	100,000	100,000	-	-
206,573	213,720	208,785	Youth In Detention	210,000	217,356	210,000	(7,356)	(3)
<u>17,209,531</u>	<u>15,523,670</u>	<u>16,443,306</u>	Total Special Revenue Fund Expenditures	<u>16,888,975</u>	<u>20,036,324</u>	<u>18,085,300</u>	<u>(1,921,763)</u>	<u>(10)</u>
<u>102,645,505</u>	<u>109,314,231</u>	<u>130,174,572</u>	Total Expenditures	<u>137,098,231</u>	<u>140,414,120</u>	<u>141,825,202</u>	<u>1,440,343</u>	<u>1</u>
819,305	6,552,213	8,934,817	Excess (Deficiency) of Revenues Over Expenditures	(1,212,584)	(621,031)	(674,096) **	(53,065)	9
Other Financing Sources (Uses):								
385,948	2,722,720	4,293,736	Transfers In	621,031	621,031	674,096	53,065	-
(385,948)	(2,722,720)	(4,293,736)	Transfers Out	(621,031)	(621,031)	(674,096)	(53,065)	-
-	-	-	Total Other Financing Sources (Uses)	-	-	-	-	-
<u>819,305</u>	<u>6,552,213</u>	<u>8,934,817</u>	Net Change in Fund Balances	<u>(1,212,584)</u>	<u>(621,031)</u>	<u>(674,096)</u>	<u>(53,065)</u>	<u>9</u>
<u>8,521,285</u>	<u>9,340,590</u>	<u>15,892,803</u>	Fund Balances, Beginning as Previously Reported	<u>24,827,620</u>	<u>23,615,036</u>	<u>22,994,005</u>	<u>(621,031)</u>	<u>(3)</u>
<u>8,521,285</u>	<u>9,340,590</u>	<u>15,892,803</u>	Adjusted Fund Balance, Beginning of Year	<u>24,827,620</u>	<u>23,615,036</u>	<u>23,615,036</u>	<u>(621,031)</u>	<u>(3)</u>
<u>\$ 9,340,590</u>	<u>\$ 15,892,803</u>	<u>\$ 24,827,620</u>	Fund Balances, End of Year	<u>\$ 23,615,036</u>	<u>\$ 22,994,005</u>	<u>\$ 22,940,940</u>	<u>\$ (674,096)</u>	<u>(3)</u>

* Multi-year Grant Awards

** Transfers not considered revenue