



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Assistant Superintendent

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MEMORANDUM

TO: Board of Education

FROM: Dave Jones, Assistant Superintendent

THROUGH: Steve Atwater, Superintendent

SUBJECT: FY11 General Fund Budget Revision

Since the budget adopted by the Borough Assembly on June 8, 2010 included a change in School District funding, it is necessary for us to do a General Fund budget revision to reflect the actual FY11 funding from the Borough. The State of Alaska changed the reimbursement rate for TRS and PERS On-Behalf funding so we will adjust those amounts, as well.

Borough Changes

As you are aware, the Borough funded the KPBSD at two million dollars less than requested. The Borough also increased their estimate of the In-Kind contribution amount by \$392,816. The net result of those two changes is that the use of fund balance will need to be increased by \$2,392,816 to compensate. The change in In-Kind will result in an expenditure budget increase of \$392,816 for FY11.

The increased use of fund balance to offset the changes in local contribution and In-Kind services of \$2,392,816 will result in a total use of fund balance of \$4,923,931.

<u>In-Kind Services</u>	<u>Preliminary 2010-11 Budget</u>	<u>In-Kind Increase</u>	<u>Revised 2010-11 Budget</u>
Maintenance	\$ 6,344,440	\$ 93,279	\$ 6,437,719
Custodial	108,094	1,407	109,501
Utilities	76,494	1,530	78,024
Audit	42,000	8,000	50,000
Insurance	\$ 2,650,987	\$ 288,600	\$ 2,939,587
	<u>\$ 9,222,015</u>	<u>\$ 392,816</u>	<u>\$ 9,614,831</u>

State Changes

The State of Alaska recently notified us of the change in reimbursement rate for TRS and PERS On-Behalf funding for FY11. The TRS On-Behalf contribution will increase by \$149,435 and the PERS On-Behalf contribution will increase by \$90,749 for a total increase of \$240,184 for both revenue and expenditure budgets.

Total Changes

General Fund revenues and expenditures will increase by \$633,000 from \$128,983,838 to \$129,616,838. I am attaching a revenue and expenditure summary for your review.

FY11 GENERAL FUND BUDGET REVISION SUMMARY:

Revenue Budget

Preliminary FY11 Revenue Budget	\$ 128,983,838
Increased In-Kind Budget	392,816
Decreased Local Contribution	<u>(2,392,816)</u>
Net Borough Decrease	(2,000,000)
Increased TRS On-Behalf	149,435
Increased PERS On-Behalf	<u>90,749</u>
Net On-Behalf Increase	240,184
Increased use of Fund Balance	2,392,816
Total Revenue Adjustment	<u>633,000</u>
<u>Revised FY11 Revenue Budget</u>	<u>\$ 129,616,838</u>

Expenditure Budget

Preliminary FY11 Expenditure Budget	\$ 128,983,838
Increased In-Kind Budget	392,816
Increased TRS On-Behalf	149,435
Increased PERS On-Behalf	<u>90,749</u>
Net On-Behalf Increase	240,184
Total Expenditure Adjustment	<u>633,000</u>
<u>Revised FY11 Revenue Budget</u>	<u>\$ 129,616,838</u>