



# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

## Assistant Superintendent

Dave Jones

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## MEMORANDUM

TO: Board of Education

FROM: Dave Jones, Assistant Superintendent

THROUGH: Steve Atwater, Superintendent

SUBJECT: FY11 General Fund Budget Revision

The change in enrollment and identification of additional Intensive Needs students has changed the State of Alaska foundation fund revenue estimate for FY11. Because of the increase in funding from the State, the district will need to use less fund balance than originally anticipated. According to our calculations at this time, state revenues will increase by \$2,949,077 and anticipated use of fund balance will be reduced by the same amount. However, these are preliminary student enrollment numbers and since they are still subject to change, there will likely be another FY11 Budget revision submitted this year.

Other additions to the Original FY11 Revenue Budget of \$129,616,838 are caused by rollover encumbrances from FY10 and Charter School carryover.

A rollover encumbrance brings forward funds committed for a purchase from a prior fiscal year into the current fiscal year, so a purchase order that is not complete at the end of the fiscal year will not have an impact on the subsequent year budget. Funds committed for that purchase order are rolled forward to offset the payment that will be made. Encumbrances rolled over from FY10 into FY11 totaled \$2,095,972.

Charter Schools were allowed to carry over into FY11 an amount of fund balance equal to a maximum 10% of FY10 expenditures and this amount totaled \$675,351. The total of rollover encumbrances and Charter School carryover was \$2,771,323. The original FY11 General Fund revenue budget of \$129,616,838 plus the \$2,771,323 totals a revised FY11 Revenue budget of \$132,388,161.

Adjustments to the expenditure budget will take place in salaries and benefits to reflect the actual employees hired in the district for FY11 and changes in Extra-Curricular contracts. Additional changes will be reflected in the budgets for Charter School revenue based on enrollment changes; software; and utility, freight and rent budgets, based on evaluation of prior year costs and current year projections. These adjustments net to zero. The Original FY11 expenditure budget total of \$129,616,838 plus rollover encumbrances and Charter School carryover bring the expenditure budget to \$132,388,161.

**FY11 GENERAL FUND BUDGET REVISION SUMMARY:**

**Revenue Budget**

FY11 Original Revenue Budget	\$ 129,616,838
Enrollment Decrease	(4,523)
Intensive Needs Increase	2,953,600
Total Change to State Revenue	2,949,077
Change in Use of Fund Balance	(2,949,077)
Revised FY11 Revenue Budget	129,616,838
Rollover Encumbrances	2,095,972
Charter School Carryover	675,351
Rollover Encumbrances and Carryover	2,771,323
FY11 Adjusted Revenue Budget	\$ 132,388,161

**Expenditure Budget**

FY11 Original Expenditure Budget	\$ 129,616,838
Change to Salary/Benefits Budgets	(242,390)
Change to Utility/Rent/Freight Budgets	(171,115)
Change to Software Budget	176,000
Change to Charter School Revenues	237,505
Revised FY11 Expenditure Budget	129,616,838
Rollover Encumbrances	2,095,972
Charter School Carryover	675,351
Rollover Encumbrances and Carryover	2,771,323
FY11 Adjusted Expenditure Budget	\$ 132,388,161

Changes to Charter School Revenue for FY11 are as follows:

	Original FY11 Revenue	Increase/ Decrease	Revised FY11 Revenue
Aurora Borealis	1,976,514	(16,683)	1,959,831
Fireweed Academy	673,271	359,077	1,032,348
Kaleidoscope	2,593,644	(104,889)	2,488,755
Soldotna Montessori	1,976,514	0	1,976,514
	7,219,943	237,505	7,457,448