

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

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## SCHOOL BOARD COMMUNICATION

<b>Title:</b>	<b>Internal Service Fund, Equipment Fund and Budget Development Calendar Worksession</b>		
<b>Date:</b>	<b>September 4, 2012</b>	<b>Item Number:</b>	Worksession
<b>Through:</b>	<b>Steve Atwater, Superintendent</b>		
<b>Administrator:</b>	<b>Dave Jones, Assistant Superintendent</b>		
<b>Attachments:</b>	<b>Cash Flows for Internal Service Fund, Equipment Fund &amp; Budget Development Calendar</b>		

Action Needed     For Discussion     Information     Other: \_\_\_\_\_

## BACKGROUND INFORMATION

During the May 5, 2012 Board meeting, The Board authorized the establishment of a Health Care Internal Service Fund for the District beginning with FY12. I have included a copy of the Statement of Cash Flows for the year ending June 30, 2012 for your review. We will discuss the specifics for the year at the work session.

During the August work sessions, there was discussion regarding the Equipment Fund. I have included a copy of the Equipment Fund Schedule of Revenues, Expenditures and Changes in Fund Balance for the year ending June 30, 2012 for your review. The report shows in summary the revenues and expenditures related to the Equipment Fund for FY12. We will also discuss the specifics for this fund at the work session.

I am also including a copy of the proposed Budget Development Calendar.

## ADMINISTRATIVE RECOMMENDATION

For your information and discussion.

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND FOR HEALTH CARE  
June 30, 2012

	<u>Health Care Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Contributions by employees	\$ 5,277,201
Contributions by employer	16,595,327
Interest Earnings	<u>56,843</u>
Total Contributions	21,929,371
Cash used by operating activities	<u>(21,247,476)</u>
Net increase (decrease) in operating activities	681,895
Cash and cash equivalents, beginning of year	<u>2,921,298</u>
Cash and cash equivalents, end of year	<u><u>3,603,193</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	
Change in assets and liabilities	
Increase in health care reserve	<u>681,895</u>
Total adjustments	<u>681,895</u>
Net cash provided by operating activities	<u><u>\$ 681,895</u></u>

KENAI PENINSULA BOROUGH SCHOOL DISTRICT  
 MAJOR FUND - EQUIPMENT  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE-  
 BUDGET (GAAP BASIS) AND ACTUAL  
 YEAR ENDED JUNE 30, 2012  
 With Comparative Actual Totals for Year Ended June 30, 2011

	2012		Actual	Variance- Positive (Negative)	2011 Actual
	Original Budget	Current Budget			
Revenues:					
Earnings on Investments	\$ -	\$ -	\$ 200,883	\$ 200,883	\$ 458,819
Total Revenues	<u>-</u>	<u>-</u>	<u>200,883</u>	<u>200,883</u>	<u>458,819</u>
Expenditures					
Regular Instruction:					
Supplies and Materials	-	11,166	23,190	(12,024)	20,547
Equipment	<u>6,124,381</u>	<u>6,139,915</u>	<u>123,148</u>	<u>6,016,767</u>	<u>79,277</u>
Total Regular Instruction	<u>6,124,381</u>	<u>6,151,081</u>	<u>146,338</u>	<u>6,004,743</u>	<u>99,824</u>
Support Services - Instruction:					
Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,464</u>
Operation and Maintenance of Plant:					
Professional - Technical Service	-	-	-	-	363,775
Purchased Services	-	33,967	33,217	750	51,671
Supplies and Materials	-	116,402	304,697	(188,295)	10,819
Equipment	<u>-</u>	<u>194,166</u>	<u>705,740</u>	<u>(511,574)</u>	<u>21,635</u>
Total Operation and Maintenance of Plant	<u>-</u>	<u>344,535</u>	<u>1,043,654</u>	<u>(699,119)</u>	<u>447,900</u>
Total Expenditures	<u>6,124,381</u>	<u>6,495,616</u>	<u>1,189,992</u>	<u>5,305,624</u>	<u>560,188</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,124,381)</u>	<u>\$ (6,495,616)</u>	<u>(989,109)</u>	<u>\$ 5,506,507</u>	<u>(101,369)</u>
Fund Balance, Beginning of Year			<u>6,495,616</u>		<u>6,596,985</u>
Fund Balance, End of Year			<u>\$ 5,506,507</u>		<u>\$ 6,495,616</u>

**FY14 Budget Development Calendar**

<b>October 2012</b>						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 1st – Enrollment Projection Deadline for Schools
- \*23rd – Tentative Joint Work Session with Board and Borough Assembly
- 25th – Community Budget Development Committee Meeting
- 26th – End of 20 day count

<b>November 2012</b>						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- 2nd – FY13-14 Projected Enrollment Report Due to DOEED
- 5th – FY13-14 Staffing Projections and Site Budget Formulation Begins
- 9th – FY12-13 Actual Enrollment Report Due to DOEED

<b>December 2012</b>						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

- 1st - 10th Senior Management Conducts Preliminary Budget Estimation
- 3rd – Enrollment Information Reported to Board

<b>January 2013</b>						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

- 14th – FY14 Preliminary Budget Information to Board

<b>February 2013</b>						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

- 4th – Budget Work Session to Review Detailed FY14 Budget Information
- \*12th – Tentative Joint Work Session with Board and Borough Assembly
- 19th – Tentative Public Budget Forum, Seward
- 20th – Tentative Public Budget Forum, Kenai/Soldotna
- 26th – Tentative Public Budget Forum, Homer

March 2013						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

4th – School Board Meeting – Presentation of Budget

April 2013						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

1st – School Board Meeting – Present Budget for Approval  
 16th – Final KPBSD Budget Information to Borough Assembly

May 2013						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

\*7th - Ordinance Introduced at Borough Assembly (tentative date)  
 \*21th - Borough Assembly Resolution (tentative date)

June 2013						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

\*4th - Borough Assembly Ordinance Vote (tentative date)

\*All dates referring to Borough Assembly meetings are subject to change.

**Alaska Statute 14.14.060. Relationship Between Borough School District and Borough; Finances and Buildings.** (c) Except as otherwise provided by municipal ordinance, the borough school board shall submit the school budget for the following school year to the borough assembly by May 1 for approval of the total amount. Within 30 days after receipt of the budget, the assembly shall determine the total amount of money to be made available from local sources for school purposes and shall furnish the school board with a statement of the sum to be made available. If the assembly does not, within 30 days, furnish the school board with a statement of the sum to be made available, the amount requested in the budget is automatically approved. Except as otherwise provided by municipal ordinance, by June 30, the assembly shall appropriate the amount to be made available from local sources from money available for the purpose.