

**BOARD OF EDUCATION
BEEVILLE INDEPENDENT SCHOOL DISTRICT**

Agenda Item No. _____

Date: June 19, 2007

Subject: Adjust Designated Construction
Fund Balance

Submitted by: Linda O'Connell

Related Pages: 2

Supt's Approval: _____

CONSENT

BACKGROUND INFORMATION:

Transfer Designated Construction Fund Balance of \$117,076 towards Master Plan costs.

ITEMS ADDRESSED:

Designated Construction Fund Balance of \$117, 076

RECOMMENDED ACTION:

Approval to transfer Designated Construction Fund Balance of \$117, 076 towards Master Plan costs.

BUDGETARY INFORMATION:

\$117, 076

Beeville Independent School District

Fund Balance Report as of May 10, 2007

\$386,737 Designated construction fund
Less \$269,661 HMD Parking lot project
\$117,076 Total left in construction fund

\$6,137,966 Unreserved fund balance
Less \$798,882 Master Plan (\$920,000 master plan less \$121,117 Perm School funds)
Less \$10,000 Academic Decathlon
Less \$4,047 AED's (3)
Less \$20,639 DVD/Cameras for Buses
Less \$510,743 State Funds shortage as of the 5th six weeks, we have one more six weeks pending
\$4,793,655 Total
Less \$550,000 Athletic Track **Estimated Cost**
\$4,243,655 Total left in unreserved fund balance

Summary:

\$117,076 Total left in construction fund
\$4,243,655 Total left in unreserved fund balance
\$4,360,731 Grand Total

\$121,117 Permanent School Fund

\$159,116 Designated Fund Balance for Inventory
\$59 Designated Other Reserves
\$500,000 Designated for Self-insured Workers Comp/Unemployment

Notes:

- 1.) Optimum Fund Balance for 05-06 was calculated to be \$6,368,259. Indicator #21 of FIRST requires that Undesignated, Unreserved Fund Balance be no less than 50% nor more than 150% of Optimum Balance. Assuming that Optimum Fund Balance remains the same for 06-07, Undesignated, Unreserved Fund Balance will be approximately 67% of Optimum Fund Balance, hence credit will be awarded.

- 2.) Indicator # 22 measures decreases in Fund Balance. If the Undesignated, Unreserved Fund Balance decreases by an amount greater than 20% over 2 years credit may be lost. These calculations indicate a decrease of approximately 28% which would cause all credit for this indicator to be lost.

Summary of Audit Figures:

\$159,116 designated for inventory
\$59 other reserves
\$386,737 designated construction
\$500,000 designated for insurance
\$6,137,966 unreserved
\$7,183,878 Per 05-06 Audit

I also contacted Frank, our auditor and asked him about the 3month operating cost to save in the fund balance. Frank said TEA uses the Optimum Fund Balance formula as noted above (under notes). Frank said he has seen a lot of school boards feel more comfortable to use three months operating costs in fund balance. Franks said the boards do this because there is always issues with State funding and hurricanes, etc. that can be costly.

Note: Depending on how the 6th six weeks looks we may have another deduction from fund balance.

Three months operating cost is \$6,056,184