

**School Board Meeting:**

September 28, 2009

**Subject:**

Operating Capital Transfer

**Presenter:**

Tina Burkholder

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**SUGGESTED SCHOOL BOARD ACTION:**

For School Board approval.

**DESCRIPTION:**

At the September 14<sup>th</sup> School Board workshop, I presented an operating capital reserve projection in order to determine if the Board should approve another operating capital transfer. Future school funding continues to be uncertain. If a school district elects to do the operating capital transfer, the funds can be used for capital needs or instructional needs such as employee salaries, supplies, and utilities. By approving the transfer and designating the funds separately, this gives the School Board flexibility to spend the funds as needed. It gives the School Board time to see how future financial forecasts might impact school funding.

Our maximum transfer amount is \$327,355.23 (\$51 x 6,418.73 AMCPU). The Reserved for Operating Capital will still have a preliminary ending balance of \$213,181 after the one-time transfer as of June 30, 2009 to meet the school district's operating capital needs. The balance is for the General Fund (fund 01) only. The Capital Outlay fund (fund 05) has an ending reserve balance of \$177,150 for designated capital projects.

Operating Capital Reserve Projection

	08-09	09-10	10-11	11-12
Op. Cap. Revenue		494,411.27	505,277.98	514,109.18
Op. Cap. Exp.		(414,389.00)	(424,243.88)	(434,342.87)
Change in Reserve		80,022.27	81,034.10	79,766.61
Audit Reserve	540,536.34			
Transfer	(327,355.23)	0.00	0.00	0.00
Ending Reserve	213,181.11	293,203.38	374,237.48	454,004.09