



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education
& Early Development**

OFFICE OF THE COMMISSIONER

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December 19, 2023

The Honorable DeLena Johnson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Capitol, Room 518
Juneau, AK 99801

The Honorable Bryce Edgmon
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 516
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Donald Olson
Co-Chair, Senate Finance Committee
Alaska State Capitol Room 508
Juneau, AK 99801

Re: Legislative Intent Language – House Bill 39

Dear Finance Committee Co-Chairs:

Enclosed, please find the Department of Education and Early Development's response to the legislative intent language from House Bill 39 (Chapter 1, FSSLA 2023, Section 1, Pages 10-11, Lines 27-4) on school district balances for each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, and 4) other governmental funds.

Please feel free to contact me if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Deena M. Bishop".

Deena M. Bishop, Ed. D.
Commissioner

Enclosure (1) FY2024 Intent Language Fund Balance Report Final

cc: Alexei Painter, Director, Legislative Finance Division
Lacey Sanders, Director, Office of Management and Budget



Report to the Legislature

School District Fund Balances

as required by HB 39 (Chapter 1, FSSLA 2023)

December 19, 2023

Introduction

During the 2023 legislative session the 33rd Legislature included the following legislative intent language in the operating budget (Chapter 1, FSSLA 2023, Section 1, Pages 10-11, Lines 27-4 (HB 39)):

It is the intent of the legislature that a school district report to the Department twice annually, once by the end of the count period set out in AS 14.17.500, and on February 1, 2024, the balance of each of the following funds: 1) school operating fund, 2) special revenue funds, 3) capital project funds, 4) other governmental funds. Additionally, each fund shall be reported based on the following classifications: 1) nonspendable fund balance, 2) restricted fund balance, 3) committed fund balance, 4) assigned fund balance, 5) unassigned balance. The Department shall provide these reports and associated data in electronic format to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2023 and by February 15, 2024.

This language tasked the Department of Education and Early Development with collecting data from the 53 school districts regarding fund balances.

Report Sections

This report consists of:

1. District-provided data by each identified fund type, by the five classifications.
2. District-provided comments regarding the reported data.
3. Definitions of the Fund Types and Fund Balance Classifications.

Unreserved Fund Balance Reporting

This data collection is separate from the “unreserved” school district operating fund balance collections and reports. Audited fiscal year end fund balance data is submitted to the department under AS 14.17.505 and is defined by 4 AAC 09.160; this monitors the requirement for a district to not exceed a year-end unreserved operating fund balance of 10 percent of annual expenditures. The 10 percent fund balance limit was waived through the end of fiscal year 2025 (June 30, 2025), during which time a report on the forecasted unreserved operating fund balance is due to the legislature by February 15 (Chapter 2, SLA 2021, Section 10, Page 10, Lines 16-21 (HB 76)).

Data Variations

Due to the mid-fiscal year dates identified, the data can fluctuate between and within districts due to many reasons, including:

- Districts that receive Impact Aid have the balance of their current application receipts transfer from committed to unassigned at the beginning of the fiscal year.
- Municipal districts receive local contributions at different times, based on local processes. Some districts may receive a lump sum at the beginning of the fiscal year, some may receive monthly payments, and some may receive all or a portion of funds at different times of the year.
- Bulk purchases of fuel, food, etc. may occur at the beginning of the school year.
- The fund balance reporting will be impacted by budget true ups that occur as a result of the student count data reconciliation, projections to actuals.

Alaska Department of Education & Early Development
 FY2024 School District **OPERATING FUND**: Current Fund Balance as of October 31, 2023

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	267,969	-	477,556	(1,661,842)	-	(916,317)
Aleutian Region	96,598	-	53,094	28,747	128,130	306,569
Aleutians East	505,803	-	561,969	56,166	823,709	1,947,647
Anchorage	4,270,366	29,119,270	-	95,165,820	31,767,704	160,323,160
Annette Island	30,468	-	-	1,284,804	-	1,315,272
Bering Strait	1,930,298	-	-	-	-	1,930,298
Bristol Bay	32,495	54,613	91,359	(322,829)	-	(144,362)
Chatham	244,724	-	-	1,308,046	(363,770)	1,189,000
Chugach	106,605	896,478	-	1,148,165	-	2,151,248
Copper River	156,351	535,148	-	-	-	691,499
Cordova	121,845	-	-	-	797,017	918,862
Craig	-	873,631	-	1,457,980	-	2,331,611
Delta/Greely	938,151	697,785	186,207	439,653	-	2,261,796
Denali	149,025	-	-	2,727,984	779,092	3,656,101
Dillingham	3,344	-	318,247	-	-	321,591
Fairbanks	999,483	1,951,302	-	8,345,451	-	11,296,236
Galena	251,154	8,245,171	-	612,335	5,578,048	14,686,708
Haines	-	-	251,070	705,679	-	956,749
Hoonah	21,111	-	-	824,159	-	845,270
Hydaburg	8,883	-	-	-	(110,782)	(101,899)
Iditarod	321,398	-	-	-	1,143,483	1,464,881
Juneau	382,461	253,035	17,890	3,028,014	-	3,681,400
Kake	8,409	-	-	337,335	-	345,744
Kashunamiut	512,330	-	-	3,093,291	-	3,605,621
Kenai Peninsula	2,000,320	2,916,112	4,225,327	2,877,353	16,696,081	28,715,193
Ketchikan	-	-	-	7,219,252	-	7,219,252
Klawock	735,885	593,239	-	-	345,440	1,674,564
Kodiak	362,173	-	1,500,000	5,466,780	5,209,606	12,538,559
Kuspuk	399,346	-	-	315,000	5,176,911	5,891,257
Lake and Peninsula	236,218	236,054	-	74,292	-	546,564
Lower Kuskokwim	10,263,501	-	-	8,487,117	11,507,238	30,257,856
Lower Yukon	1,154,503	-	-	-	17,045,963	18,200,466
Mat-Su	7,634,554	2,230,799	-	-	-	9,865,353
Nenana	93,720	1,273,962	-	-	1,397,001	2,764,683
Nome	421,555	-	-	183,073	2,518,196	3,122,824
North Slope	1,253,862	3,973,172	6,083,112	-	-	11,310,146
Northwest Arctic	1,520,272	-	8,395,071	-	-	9,915,343
Pelican	-	-	-	65,000	97,171	162,171
Petersburg	252,353	-	-	212,554	-	464,907
Pribilof	-	569,242	-	176,350	-	745,592
Saint Mary's *	*	*	*	*	*	-
Sitka	-	-	-	1,092,000	-	1,092,000
Skagway	10,617	-	-	-	1,900,930	1,911,547
Southeast Island	99,275	-	-	1,026,773	-	1,126,048
Southwest Region	1,350,636	-	-	5,900,672	1,554,211	8,805,519
Tanana	147,765	-	-	-	-	147,765
Unalaska	216	-	24,482	1,175,607	-	1,200,305
Valdez	-	-	-	-	-	-
Wrangell	198,035	-	-	513,806	-	711,841
Yakutat	-	-	-	529,989	(13,333)	516,656
Yukon Flats	228,903	-	-	-	548,349	777,252
Yukon Koyukuk	5,720,688	-	1,900,000	-	-	7,620,688
Yupitit	583,247	-	-	5,729,128	-	6,312,375
Total	46,026,915	54,419,013	24,085,384	159,623,704	104,526,396	388,681,411

* District did not respond to information requests as of 12/11/2023.

Alaska Department of Education & Early Development
FY2024 School District SPECIAL REVENUE FUNDS: Current Fund Balance as of October 31, 2023

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	2,734,106	-	2,161,625	-	-	4,895,731
Aleutian Region	-	-	51,459	-	-	51,459
Aleutians East	-	-	-	1,889,047	844,480	2,733,527
Anchorage	2,865,782	7,037,971	-	8,703,059	-	18,606,812
Annette Island	5,251	-	1,320,340	18,533	(187,532)	1,156,592
Bering Strait	665,167	-	2,421,686	-	(279,054)	2,807,799
Bristol Bay	5,578	-	332,998	-	(4,783)	333,793
Chatham	17,578	-	342,413	-	(43,919)	316,072
Chugach	-	3,387	209,149	110,097	-	322,633
Copper River	-	-	(433,161)	-	-	(433,161)
Cordova	18,618	191,803	-	357,494	(10,494)	557,421
Craig	-	465,184	-	-	-	465,184
Delta/Greely	32,724	-	316,983	1,046,359	-	1,396,066
Denali	-	-	-	1,384,835	-	1,384,835
Dillingham	36,181	-	2,230,910	-	1,050,262	3,317,353
Fairbanks	1,108,453	4,744,881	-	3,116,458	-	8,969,792
Galena	-	-	282,000	-	-	282,000
Haines	-	-	170,137	61,653	(25,551)	206,239
Hoonah	47,431,636	6,236	55,253	-	-	47,370,147
Hydaburg	-	-	-	146,778	-	146,778
Iditarod	54,400	180,578	-	18,044	-	253,022
Juneau	31,324	-	984,024	3,046,115	-	4,061,463
Kake	15,811	-	-	15,512	-	31,323
Kashunamiut	-	115,485	87,476	74,901	(243,834)	34,028
Kenai Peninsula	345,069	1,022,056	4,099,928	752,620	(774,879)	5,444,794
Ketchikan	-	1,031,943	-	-	-	1,031,943
Klawock	61,585	143,910	665,480	49,775	-	920,750
Kodiak	-	1,508,707	-	-	-	1,508,707
Kuspuk	15,254	-	-	1,670,469	-	1,685,723
Lake and Peninsula	67,582	-	113,492	-	(329,264)	(148,190)
Lower Kuskokwim	-	-	-	-	-	-
Lower Yukon	-	-	-	-	(1,061,083)	(1,061,083)
Mat-Su	-	455,671	17,959,878	6,944,059	(2,639,592)	22,720,016
Nenana	-	-	-	13,430	-	13,430
Nome	2,475	381,230	2,270,891	221,845	(26,590)	2,849,851
North Slope	1,153,667	2,210,901	2,720,466	6,198,174	(1)	12,283,207
Northwest Arctic	-	585	-	189,536	(957,824)	(767,704)
Pelican	-	-	-	4,885	-	4,885
Petersburg	6,798	-	-	610,307	-	617,105
Pribilof	-	-	-	21,099	-	21,099
Saint Mary's *	*	*	*	*	*	-
Sitka	-	-	1,042,456	86,449	-	1,128,905
Skagway	-	-	-	633,771	667,371	1,301,142
Southeast Island	11,709	185,702	1,020,352	38,816	(60,399)	1,196,180
Southwest Region	278,054	-	1,233,795	-	-	1,511,849
Tanana	-	-	-	100,255	-	100,255
Unalaska	11,947	-	126,720	60,688	(149,933)	49,422
Valdez	25,859	-	-	1,027,506	-	1,053,365
Wrangell	-	378,000	342,428	-	-	720,428
Yakutat	-	-	96,666	119,822	-	216,488
Yukon Flats	-	-	-	-	161,944	161,944
Yukon Koyukuk	-	-	-	-	(81,585)	(81,585)
Yupitit	538,247	-	18,307	115	(339,262)	217,407
Total	57,540,855	20,064,230	42,244,151	38,732,506	(4,491,522)	154,090,221

* District did not respond to information requests as of 12/11/2023.

Alaska Department of Education & Early Development
 FY2024 School District CAPITAL PROJECT FUNDS: Current Fund Balance as of October 31, 2023

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	1,156,200	-	-	1,156,200
Aleutians East	-	-	-	1,263,996	-	1,263,996
Anchorage	-	-	24,958,101	56,242,623	-	81,200,724
Annette Island	-	-	7,446,869	4,650	(239,937)	7,211,582
Bering Strait	-	-	13,876,189	-	-	13,876,189
Bristol Bay	-	-	144,274	-	-	144,274
Chatham	-	-	154,350	-	-	154,350
Chugach	-	-	343,144	-	-	343,144
Copper River	-	-	792,269	-	-	792,269
Cordova	-	-	-	456,895	-	456,895
Craig	-	841,513	355,000	-	-	1,196,513
Delta/Greely	-	-	-	1,544,952	-	1,544,952
Denali	-	-	-	2,218,795	(1,956,800)	261,995
Dillingham	-	-	-	-	207,770	207,770
Fairbanks	-	474,718	-	-	-	474,718
Galena	-	-	12,421,374	-	-	12,421,374
Haines	-	-	539,244	19,611	7,882	566,737
Hoonah	-	-	721,902	-	-	721,902
Hydaburg	-	-	-	-	-	-
Iditarod	-	-	-	2,406,590	-	2,406,590
Juneau	-	-	-	-	-	-
Kake	-	-	-	172,797	295,887	468,684
Kashunamiut	-	-	-	221,822	-	221,822
Kenai Peninsula	-	-	-	-	-	-
Ketchikan	-	-	-	(506,748)	-	(506,748)
Klawock	-	-	1,229,603	-	-	1,229,603
Kodiak	-	-	1,235,437	-	-	1,235,437
Kuspuk	-	-	-	1,385,681	-	1,385,681
Lake and Peninsula	-	-	186,888	-	(34,200)	152,688
Lower Kuskokwim	-	-	50,901,509	-	-	50,901,509
Lower Yukon	-	-	-	3,053,262	-	3,053,262
Mat-Su	-	-	4,261,182	142,418	(1,058,515)	3,345,085
Nenana	-	-	-	-	-	-
Nome	-	-	3,334,071	-	(472,681)	2,861,390
North Slope	-	-	-	-	-	-
Northwest Arctic	-	53,385	-	2,971,774	(687,841)	2,337,317
Pelican	-	-	-	573,633	-	573,633
Petersburg	-	-	-	568,202	-	568,202
Pribilof	-	-	-	162,450	-	162,450
Saint Mary's *	*	*	*	*	*	-
Sitka	-	-	-	-	-	-
Skagway	-	-	-	117,277	-	117,277
Southeast Island	-	-	560,841	-	(1,069,019)	(508,178)
Southwest Region	-	-	936,469	-	-	936,469
Tanana	-	-	-	-	276,042	276,042
Unalaska	-	-	1,592,465	-	-	1,592,465
Valdez	-	-	1,405,304	-	-	1,405,304
Wrangell	-	-	-	1,349,065	-	1,349,065
Yakutat	-	-	1,257,044	-	-	1,257,044
Yukon Flats	-	-	-	3,389,958	-	3,389,958
Yukon Koyukuk	-	-	-	-	(1,398,560)	(1,398,560)
Yupitit	-	-	-	172,402	-	172,402
Total	-	1,369,616	129,809,729	77,932,105	(6,129,972)	202,981,477

* District did not respond to information requests as of 12/11/2023.

Alaska Department of Education & Early Development

FY2024 School District **OTHER GOVERNMENTAL FUNDS**: Current Fund Balance as of October 31, 2023

School District	Nonspendable Fund Balance	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance	Unassigned Fund Balance	Total
Alaska Gateway	-	-	-	-	-	-
Aleutian Region	-	-	-	-	-	-
Aleutians East	-	-	-	-	-	-
Anchorage	-	-	-	-	(25,372,175)	(25,372,175)
Annette Island	-	-	-	-	-	-
Bering Strait	-	-	672,000	-	-	672,000
Bristol Bay	-	217,633	-	-	-	217,633
Chatham	-	-	-	-	-	-
Chugach	-	-	640,256	119,097	(486,672)	272,681
Copper River	180,357	103,405	282,957	-	-	566,719
Cordova	-	-	-	-	-	-
Craig	-	-	-	-	-	-
Delta/Greely	-	-	-	-	-	-
Denali	-	-	493,273	-	(450,840)	42,433
Dillingham	-	-	-	-	-	-
Fairbanks	-	-	-	-	-	-
Galena	-	-	-	-	-	-
Haines	-	-	-	-	-	-
Hoonah	-	-	-	-	-	-
Hydaburg	-	-	-	-	-	-
Iditarod	-	-	-	-	-	-
Juneau	38,257	-	-	-	(38,257)	-
Kake	-	-	-	-	-	-
Kashunamiut	-	26,005	-	-	-	26,005
Kenai Peninsula	-	-	-	-	-	-
Ketchikan	-	-	-	87,920	-	87,920
Klawock	-	-	-	-	-	-
Kodiak	-	-	-	-	-	-
Kuspuk	-	-	-	-	-	-
Lake and Peninsula	-	260,048	-	-	(2,706)	257,342
Lower Kuskokwim	-	-	-	1,413,761	-	1,413,761
Lower Yukon	-	-	-	-	-	-
Mat-Su	-	-	-	1,091,797	(466,536)	625,261
Nenana	-	-	-	-	-	-
Nome	-	-	-	-	-	-
North Slope	-	-	-	-	-	-
Northwest Arctic	-	-	-	-	-	-
Pelican	-	-	-	11,169	-	11,169
Petersburg	-	69,966	-	-	-	69,966
Pribilof	-	-	-	60,751	-	60,751
Saint Mary's *	*	*	*	*	*	-
Sitka	-	-	-	-	-	-
Skagway	-	-	-	-	-	-
Southeast Island	-	-	-	-	-	-
Southwest Region	-	-	-	-	-	-
Tanana	-	-	-	-	-	-
Unalaska	-	190,135	97,602	28,561	(149,582)	166,716
Valdez	-	-	-	-	-	-
Wrangell	-	-	-	-	-	-
Yakutat	-	-	-	-	-	-
Yukon Flats	-	-	-	-	-	-
Yukon Koyukuk	-	-	-	-	-	-
Yup'it	-	-	-	-	-	-
Total	218,614	867,192	2,186,088	2,813,056	(26,966,768)	(20,881,818)

* District did not respond to information requests as of 12/11/2023.

FY2024 HB 39 Fund Balance Report School District Comments

Alaska Gateway

No comments.

Aleutian Region

Special Revenue: This entire balance is related to student activity funds.

Capital: Funds committed to capital projects for deteriorating infrastructure.

Aleutians East

Operating: Fund balance could be needed, as the budget was based on an increase in the base student allocation (BSA).

Special Revenue: Special revenue fund balances to maintain programs.

Capital: Capital funds for future needs (old Sand Point School building and King Cove School playground).

Anchorage

Operating: Anchorage has two fund balances reservations that are included in the State's definition of unreserved but are classified elsewhere in compliance with GASB 54. The first is \$26.3 million that is restricted by the municipality of Anchorage to preserve the municipality's bond rating. The second item is \$32.5 million that is assigned for subsequent year's expenditures, or the amount of fund balance the board has authorized to use to balance the FY2024 budget.

Anchorage cautions users of this report against extrapolating the data for the entire year as there are a number of timing issues that significantly change the amount of fund balance available. A few examples are: 1.) The district does not receive any tax payments from the municipality until December. Not receiving payments in 12 equal installments will lend itself to underreporting of fund balance. 2.) The teachers payroll is paid from September through June with two additional payments being made in May which would lend itself to overreporting fund balance. 3.) The district will not receive any one-time funds until February or March and any adjustment to State revenue based on the OASIS count won't begin to be adjusted until April.

Special Revenue: Includes Student Transportation, Food Service, and Student Activities Funds. Grants have been excluded as revenues are equal to expenditures and no net fund balance is reported.

Capital: Residual funds are mostly due to State Bond Debt Reimbursement that has been assigned to capital needs within the district.

Other Governmental: Debt Service Fund reduction is due the timing of bond payments and not receiving any tax payments from the municipality until December. Anchorage expects this fund to be positive by the fiscal year end.

Annette Island

Operating: FY2024 Budget is \$650k into fund balance, \$5.7 million of Impact Aid was moved into unreserved as of 7/1/2023.

Special Revenue: The committed fund balance is money designated for Early Education grades PreK-1.

Capital: \$4.2 million of the committed fund balance is for a facilities building.

Bering Strait

Operating: Higher unreserved fund balance due to committed Impact Aid monies received in FY2023 to be used in FY2024.

Bristol Bay

Operating: Borough appropriation does not arrive until November, assigned is negative due to deficit of revenue over expenses as of 10/31/2023.

Special Revenue: Food service fund negative at 6/30/2023 and costs will exceed revenue in FY2024.

Other Governmental: Student, sports, community, and scholarship funds.

Chatham

Operating: Cash Basis.

Special Revenue: Cash Basis.

Capital: Cash Basis.

Other Governmental: Cash Basis.

Chugach

No comments.

Copper River

Special Revenue: Transportation and Food Service.

Capital: Building Improvements.

Cordova

Operating: At the Cordova School District, Certificated Teaching salaries are distributed to staff between August and June, which causes an inflated position perspective when comparing the point-in-time General Fund balance to the annual budget. If operating costs and revenue flow according to the annual budget, the projected Fund Balance, as a percentage of current year budgeted expenses, drops below eight percent.

Special Revenue: The deficit in the Unassigned Fund Balance reflects costs that will be covered by transfers from the General Fund later in the year. Additionally, since the district was discouraged from reporting the deficit balances in their cost reimbursement grant funds, it should at least be noted that, while the district is waiting for reimbursement, cash needed to initially cover the costs incurred under those grants is provided by the General Fund balance. As of 10/31/2023, the General Fund - Due From

Other Funds balance related to those grants was \$153,306. This accounts for 20% of the point-in-time fund balance. This is but one example of why carrying a fund balance is crucial to district operations.

Capital: Around 80% of this balance is identified for future facility needs and major equipment replacements.

Craig

No comments.

Delta/Greely

Special Revenue: Removed the \$44,251 from the \$617,400 to get the assigned fund balance.

Capital: \$654,675 is from page 63 school replacement match combined with \$890,277 which is a capital project from FY2021.

Denali

No comments.

Dillingham

No comments.

Fairbanks

Operating: What appears as a large unreserved FY2024 fund balance as of 10/31/2023 is related to the Borough Appropriation of \$54 million being provided as a lump sum at the beginning of the school year.

Special Revenue: Assigned fund balance is related to transfers from the General Fund to the Transportation Fund in order to cover the cost of transportation that exceeds current State of Alaska Pupil Transportation Funding.

Galena

Special Revenue: Grants are usually zeroed out. \$282k is transfers to offset program shortages.

Capital: Estimated for projects in process or in planning.

Haines

Operating: Committed Insurance Expense.

Hoonah

No comments.

Hydaburg

No comments.

Iditarod

No comments.

Juneau

Operating: Fund Balance is committed based upon board approval. Juneau School District receives its local contribution in July.

Capital: No fund balance in Capital Funds.

Other Governmental: Nanny Dryden Permanent Fund.

Kake

No comments.

Kashunamiut

This is a snapshot in time and because the district does not perform a hard close each month, the following has *not* been adjusted/calculated because that is only done once a year at year-end when the district closes the books using the modified accrual basis of accounting. Small districts do not perform a hard close every month because that would require an additional staff member who did nothing but closing entries, etc. and the district does not have the budget for that. Therefore, interim fund balance reports have many assumptions and simplifications – such as:

- Special Education – the district does not know until the school year is underway what mandated services will be for the number of intensives students until count – that would also affect our fund balance if additional services are required for which the district has not budgeted because they were unknown at the time the budget was drafted.
- The district pays for the entire year's worth of software, auto, property, crime, liability insurance, worker's compensation insurance up front in July.
- Teachers are paid in 24 paychecks but work mid-August through May, so the district starts the year with a lag in expenses and then has large payrolls in May/June to pay the remainder of the teacher contracts. This increases the district's interim fund balance until payment occurs. Salaries/Benefits are 55% of the district's total budget.
- Fuel inventory – purchased in bulk up front but the majority of the bulk fuel purchased resides at the tank farm.
- Other lags in expenses – i.e. the district pays expenses after they are incurred so all food service, maintenance and operations (M&O) (General Fund), professional services, etc. are not paid until the district receives the services and the invoice and pays same; this results in what appears to be a higher fund balance.
- Kashunamiut School District performs a true-up on their current year budgets once they know all the newly hired staff salaries and health coverages chosen as well as any changes to revenues once the count period has concluded. This will affect the fund balance percent calculation.
- Impact Aid – the district has received minimal payments to date, but will likely receive the bulk in the winter/spring.
- Professional Services – the district has many professional service contracts that are not showing as encumbrances, however, the budget line item in which they will be paid is budgeted for those amounts and nothing more.

Special Revenue: Cash Basis.

Capital: Cash Basis.

Other Governmental: Cash Basis.

Kenai Peninsula

Operating: This calculation does not include salaries and benefits that are obligated and encumbered. In-kind budget is \$14,292,451 and is not encumbered. Utilities are not encumbered. This number is not an accurate representation of fund balance. It truly is a snapshot in time that does not take into account items like teachers' pay, that is earned and obligated, but will be paid later in the year. The Kenai Peninsula Borough School District's regular payroll runs happen on a monthly basis, so there are wages for all staff that was earned in the second half of October (10/16-10/31) that will not be paid until 11/30/2023. That is approximately 1,100 employees plus substitutes and temporary hires. Utilities that are owed but not paid as of the date of the report.

Ketchikan

Operating: The Ketchikan Gateway Borough (KGB) appropriated all required and approved discretionary funds at the beginning of FY2023-2024, which means the Ketchikan Gateway Borough School District (KGBSD) has access to those funds as of October 31, 2023. However, with a negative beginning fund balance and an approved budget that had only a slight excess of \$18,000, the reported fund balance (cash basis), is assigned for expenditures for the remainder of the fiscal year. Additional comment: Without the KGB appropriation being booked for the entire year, the district would be in a negative fund balance position as of October 31, 2023.

Special Revenue: The balance is the combined fund balances of Food Service and Student Transportation on a cash basis.

Capital: Amount represents, on a cash basis, unreimbursed expenditures for capital projects and major maintenance.

Klawock

Operating: Received 2024 Impact Aid in early October - \$497k.

Kodiak

Operating: \$2,544,144.86 of fund balance has been used to balance the FY2024 Budget.

Kuspuk

No comments.

Lake and Peninsula

Special Revenue: 6/30/2023 Food Service Fund Balance (\$135,433).

Other Governmental: Student, Community, Housing deposits, and Scholarships. New GASB rules changed these agency funds.

Lower Kuskokwim

No comments.

Lower Yukon

Special Revenue: Teacher housing, Residential, and Food Service.

Mat-Su

No comments.

Nenana

No comments.

Nome

Operating: Cash Basis. Additionally, budgeted expenditures will rise as the district has not yet submitted the FY2024 first budget revision to include the five percent salary schedule increase that went into effect after conclusion of negotiations, which was after the original FY2024 budget process. Additionally, a higher intensive student count means more needs for one-to-one teachers (more expense).

Special Revenue: Cash Basis.

Capital: Cash Basis.

North Slope

No comments.

Northwest Arctic

Operating: Nonspendable Fund Balance based on inventory. Unreserved is projected FY2024 fund balance. Committed fund balance is prior year fund balance, minus expenditures, plus revenue, minus nonspendable and unreserved. Committed by Board Approval of general funds for instructional purposes.

Pelican

No comments.

Petersburg

Operating: Cash Basis. Only encumbrances that the district has purchase orders open for are accounted for under the assigned fund balance.

Special Revenue: Cash Basis.

Capital: Cash Basis.

Other Governmental: Cash Basis.

Pribilof

No comments.

Saint Mary's

District did not respond to information requests as of 12/11/2023.

Sitka

Operating: Sitka receives \$641,000 monthly city contributions with the exception of two payments in May, which is for both May and June.

Special Revenue: Committed balances include student activities and other non-reimbursing grants.

Skagway

No comments.

Southeast Island

This is a snapshot in time and because the district does not perform a hard close each month, the following has *not* been adjusted/calculated because that is only done once a year at year-end when the district closes the books using the modified accrual basis of accounting. Small districts do not perform a hard close every month because that would require an additional staff member who did nothing but closing entries, etc. and the district does not have the budget for that. Therefore, interim fund balance reports have many assumptions and simplifications – such as:

- Special Education – the district does not know until the school year is underway what the mandated services will be for the number of intensives students until count – that would also affect the fund balance if additional services were required for which the district did not budget because they were unknown at the time the budget was drafted.
- The district pays for the entire year's worth of software, liability insurance, and worker's compensation insurance up front in July.
- Teachers are paid in 12 paychecks but work mid-August through May, so the district starts the year with a lag in expenses and then have large payrolls in May/June to pay the remainder of the teacher contracts. This increases the district's interim fund balance until payment occurs. Salaries/Benefits are 65% of the district's total budget.
- Fuel inventory – purchased in bulk up front for some site, but the majority of the bulk fuel purchased resides at the tank farm; the district budgets for what they have used historically with any increases based on the market.
- Other lags in expenses – i.e. the district pays expenses after they are incurred so all food service, pupil transportation, maintenance and operations (M&O) (General Fund), professional services, etc. are not paid until the district receives the services and the invoice and pays the bills; this results in what appears to be a higher fund balance.
- Districts usually perform a true-up on their current year budgets once they know all the newly hired staff salaries and health coverages chosen as well as any changes to revenues once the count period has concluded. This will affect the fund balance percent calculation.
- Timber Receipts – historically Southeast Island School District has received these funds in one lump sum in May or June.
- Professional Services – The district has many professional service contracts that are not showing as encumbrances, however, the budget line item in which they will be paid is budgeted for those amounts and nothing more.

Operating: One time negotiated rural pay differential not budgeted will reduce the fund balance as will additional special education services required to ensure the district is in compliance with Federal and State regulations.

Special Revenue: The district has applied for a housing grant and will need to match 15% which could be as much as \$400k.

Capital: Cash Basis.

Southwest Region

Operating: Working with a tight budget and not able to retain teachers with our beginning salary. Limited resources so no additional steps can be added to their current schedule.

Capital: Funds needed for aging infrastructure on eight schools and district office.

Tanana

Operating: Nonspendable is Inventory and Prepaid items.

Special Revenue: Assigned - Food Service and Activities Funds. The Tanana City School District historically did not participate in the National School Lunch Program; FY2024 is the first year.

Unalaska

Operating: June, July, and August (2023) Certified Staff payrolls are posted in June 2023 (FY2023). The same will happen for FY2024. This is a fourth of the budgeted certified salary that will only show as expenses in the end of FY2024. Budget revisions happen in December, so there are currently no changes in budgeted expenditures.

Valdez

No comments.

Wrangell

Operating: Wrangell receives two payments from the City, 50% of total city funding for FY2024 is included. Our payroll expenses lag by one month, so October time/contracts are not paid until November and are therefore not included. Our two principals are currently paid from ESSER III which expires at the end of FY2024, so the Unreserved Fund balance will be used in FY2025 against increased expenses (~\$290,000) in this area that is not budgeted in the General Fund in FY2024.

Special Revenue: Restricted balance is an Environmental Protection Agency (EPA) grant for a new, electric bus and cannot be spent on anything else. Committed balances include student activities and other non-reimbursing grants.

Capital: Funds for emergency repairs/maintenance, and also for grant matching for upcoming major capital projects.

Yakutat

Operating: Cash Basis.

Special Revenue: Cash Basis.

Capital: Both buildings are in need of repairs. The roof at the high school is in the process of being repaired/replaced.

Other Governmental: Cash Basis.

Yukon Flats

No comments.

Yukon Koyukuk

Operating: The district is finalizing their audit this week and will have updated numbers. Reported information is FY2022 audit numbers with an adjustment for current revenue and expenditures, and the capital commitment that has not been transferred.

Special Revenue: Expenditures exceed funds received.

Capital: Expenditures exceed capital funds received.

Yupiit

No comments.

Current Fund Balance Report - Fund Definitions

Fund Type	Definition
School Operating Fund	General Fund (School Operating Fund) is the fund used to account for all operations of the school district not required by law or administrative action to be accounted for in another fund. Fund code 100.
Special Revenue Funds	Special Revenue Funds are funds used to account for the proceeds of specific revenue sources (other than trusts or major capital projects) that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. More than one special revenue fund may need to be established. Fund codes 200 - 399.
Capital Project Funds	Capital Projects Fund is a fund used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those or proprietary funds or trust funds). To account for resources used for acquiring capital facilities including real property, initial equipment, additions and major repairs or improvements to facilities. All projects funded by state construction grants, bonded indebtedness, and district designated capital projects. Fund codes 500 - 579.
Other Governmental Funds	Other Governmental Funds includes (1) Debt Service and (2) Permanent Funds. DEBT SERVICE FUND - A fund used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Debt service funds should be used if legally mandated, as well as for the accumulation of resources for, and the payment of, general long-term debt obligations maturing in future years. Fund Code 400. PERMANENT FUND - A fund used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the school district's programs. Fund codes 580 - 599.
Excluded Funds	<i>Please EXCLUDE the following funds from this report. The previous version of this report inaccurately listed non-governmental funds in the Other Governmental Funds category.</i> ENTERPRISE FUND - A fund used to account for any activity for which a fee is charged to external users for goods or services. These funds are used to account for activities, that are self-supporting either on a short term or long term basis such as a swimming pool or a resale house construction project. More than one enterprise fund may need to be established. Fund codes 600 - 649. INTERNAL SERVICE FUND - A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. Fund codes 650 - 699. AGENCY FUND - A fund used to account for assets held by the district acting as an agent for others. Fund codes 700 - 759. TRUST FUND - These funds account for assets held by a school district in a trustee capacity for others - e.g., members and beneficiaries of pension plans and other post employment benefit (OPEB) plans, external investment pools, or private-purpose trust arrangements - and that therefore cannot be used to support the school district's own programs. Trust funds include pension trust funds, investment trust funds, and private-purpose trust funds. More than one trust fund may need to be established. Fund codes 760 - 769.

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Fund Classifications

Current Fund Balance Report - Fund Balance Definitions

Category	Definition
Nonspendable Fund Balance	Nonspendable fund balance represents the amount of fund balance that cannot be spent because either (a) it is not in spendable form (most commonly evidenced by inventory, prepaid assets, and long-term portions of receivables); or (b) it is legally or contractually required to remain intact (most commonly evidenced by the nonexpendable principal in a permanent fund). There is an enforceable requirement that the money be maintained intact and thus cannot be used. This would include items that are not in cash or not expected to be converted to cash such as inventory, supplies, and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund. For example, a donation to the district that stipulates only the interest earnings on that donation can be spent would be considered as a part of "nonspendable" fund balance. Object code 810.
Restricted Fund Balance	Restricted fund balance should be reported to reflect legally enforceable constraints placed on the use of resources that are either (a) externally imposed by creditors (e.g., debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. This would include an unexpended student allotment provided through a correspondence study program. Object code 819.
Committed Fund Balance	Committed fund balance represents formal constraints imposed through formal action at the district's highest level of decision making authority (generally the school district's governing board). Object code 820.
Assigned Fund Balance	Assigned fund balance represents intentional constraints placed on resources by the governing board or its appointees' intent to be used for specific purposes, but meet neither the restricted nor the committed forms of constraint. The creation of these constraints does not require formal action, although formal action to enact is not prohibited and formal action is not required to reverse that classification. Also, the assigned fund balance classification is the residual classification for the special revenue, debt service, capital projects, and/or permanent funds after nonspendable, restricted, and committed balances have been identified (unless the residual amount is negative, which would require presentation as unassigned fund balance). This would include encumbrances, Impact Aid advances, and self-insurance. Object code 830.
Unassigned Fund Balance	The unassigned fund balance classification is the residual classification, for the general fund only, after nonspendable, restricted, committed, and assigned balances have been identified. For the general fund, unassigned fund balance may represent either a positive or negative balance. In funds other than the General Fund, an Unassigned Fund Balance may be used only if their respective residual balances are negative. The unassigned fund balance classification is used for special revenue, debt service, capital projects, or permanent funds only if the residual amount of fund balance is negative. It is also used to report the residual amount for all other governmental funds after nonspendable, restricted, and committed balances have been identified, if the residual amount is negative. Object code 845.
Unreserved Fund Balance	Per Alaska Statute 14.17.505 (https://www.akleg.gov/basis/statutes.asp#14.17.505) and 4 AAC 09.160 (https://www.akleg.gov/basis/aac.asp#4.09.160)

Taken from: *Alaska Department of Education & Early Development, Uniform Chart of Accounts, 2018 Edition*

https://education.alaska.gov/publications/chart_of_accounts.pdf

Section: Object Codes - Balance Sheet/Statement of Net Position