BOARD AGENDA ITEM

Information/Discussion ______
Future Action ______
Action __X___

Item: Fund Equity Designation – "Committed Funds"

Submitted by: Kevin Philipps | Date: 6-10-2024

Recommended by: Kevin Philipps KP | Board Meeting Date: 6-17-2024

RECOMMENDATION:

Request that the Kent ISD Board approve the committed funds designations for June 30, 2024.

BACKGROUND:

Committed funds designate a portion of the fund balance for tentative plans on how financial resources will be used in the future. The list of committed funds is updated periodically, typically each June, to align with the goals and direction of the organization. Designations for 2023-24 are detailed below:

General Fund:
- $1,000,000 to continue the ESC renovation project.

Special Education Fund:
- $3,000,000 to potentially supplement the 0.1 mill set aside for center program facilities.

Career Tech Fund:
- $6,000,000 to potentially supplement the 0.1 mill set aside for CTE facility needs
- $1,500,000 for major equipment purchases to support CTE programming

General Education Capital Projects Fund:
- $2,000,000 to fund the ESC renovation project.

Special Education Capital Projects Fund:
- $2,000,000 to fund center program facility improvements.
- $1,500,000 to fund the ESC renovation project

CTE Capital Projects Fund:
- $1,000,000 to support CTE facility needs
- $1,500,000 to support the ESC renovation project

As a reminder, committed funds can be altered at any time by "formal action of the governments highest decision-making authority" which, of course, is the Board.

KP/kg
Attachment

COMMITTED FUNDS

June 30, 2024

	Major Operating				Capital Projects			
	General Fund	Special Education	Career Technical Education	Total nonmajor	General Fund Cap Proj	Special Ed Cap Proj	CTE Cap Proj	TOTAL
Nonspendable:								
Inventories (as of 6/30/23)			$485,022					$485,022
Prepaid items (as of 6/30/23)	$124,395	$171,145	$809,175	$28,292				$1,133,007
Restricted for: (not included in total fund balance)								
Special education		*$14,125,729*						*$14,125,729*
Career technical education			*$11,835,645*					*$11,835,645*
Committed:								
Capital Improvements/Projects:								
Center program facility needs		$3,000,000				$2,000,000		$5,000,000
CTE program facility needs			$1,500,000				$0	$1,500,000
Other capital needs	$1,000,000	$0	$6,000,000		$2,000,000	$1,500,000	$2,500,000	$13,000,000
TOTAL COMMITTED	$1,000,000	$3,000,000	$7,500,000	$0	$2,000,000	$3,500,000	$2,500,000	$19,500,000
Unassigned:	$8,840,349	$0	$0	$3,007,727	$74,126	$18,994	$183,009	$12,124,205
PROJECTED FUND TOTAL (as of 6/30/24)	**$9,964,744**	**$17,296,874**	**$20,144,820**	**$3,036,019**	**$2,074,126**	**$3,518,994**	**$2,683,009**	**$58,718,586**

General Accounting Standards Board Statement No. 54 (GASB 54) of 2010 requires Kent ISD to change from "Designated Funds" to "Committed Funds". Prior to GASB 54, each year Kent ISD would designate a portion of the fund balance for tentative plans for how financial resources would be used in the future. The portion not designated would be considered "undesignated funds". GASB 54 is similar in nature, however instead of designated funds the term is now committed funds. By definition, committed funds include amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority before the end of the fiscal year. This new classification of funds will now be in the annual financial audit as well.