



BOARD OF SCHOOL TRUSTEES
KELLER INDEPENDENT SCHOOL DISTRICT

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3B. Discussion/Possible Action

TO: BOARD OF TRUSTEES

DATE: June 14, 2004

ACTION: RESERVING COCA-COLA FUNDS FOR OTHER NEEDS

As reported at the Special/Called Meeting of the Board of Trustees held on June 8, 2004, the district has accumulated over \$919,777 in funds from the exclusive beverage contract from Coca-Cola (Coke) that started in February of 1998. Part of the exclusive beverage agreement contract is an annual payment in the amount of \$87,000 that is maintained in a district account and was designated as "Discretionary Fund". The total amount of the "Discretionary Fund" that will be paid over the 15-year contract will total \$1,305,000. The "Discretionary Funds" were not designated for any specific purpose. These funds may be used for any legal purpose approved by the Board of Trustees. These funds should be utilized for single expenditure projects that are not relying on an annual source of income to sustain the project but rather a project that requires a single infusion of funds. Two suggested projects would be for a curriculum audit and for textbooks. The curriculum audit project is estimated to cost \$75,000 and a suggested reserve of \$100,000 for the textbooks is estimated at this time. As other "one-time" expenditures are discovered that these funds could be used for, the administration will bring them to the Board for consideration. These reserves will be shown in the General Fund to better demonstrate the expenditures as operational costs.

The administration recommends the Board of Trustees approve the reserving of "Discretionary Funds" from the exclusive beverage contract with Coca-Cola for the purchase of textbooks and a curriculum audit as presented.

Respectfully submitted,

Bill Newton Ed.D.
Acting Superintendent of Schools

Kent V. Morrison, III
Assistant Superintendent of Finance