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## BOARD AGENDA ITEM

Information/Discussion \_\_\_\_\_

Future Action \_\_\_\_\_

Action   X  

Item: Fund Equity Designation - "Committed Funds"

Submitted by: Kevin Philipps

Date: 6/09/2025

Recommended by: Kevin Philipps *KP*

Board Meeting Date: 6/16/2025

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### RECOMMENDATION:

**Request that the Kent ISD Board approve the committed funds designations for June 30, 2025.**

### 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 2024-25 are detailed below.

#### General Fund:

- \$750,000 for IT equipment upgrades
- \$250,000 to complete the ESC office reconfiguration beyond what is budgeted for 2025-26.

#### Special Education Fund:

- \$11,000,000 to supplement the 0.1 set aside for center program facilities. \$10 million will be transferred to the capital projects fund in 2025-26.
- \$1,500,000 to complete the ESC office reconfiguration.

#### Career Tech Fund:

- \$15,000,000 to supplement the 0.1 mill set aside for CTE facility needs. \$10,000,000 will be transferred to the capital projects fund in 2025-26.

#### Capital Projects:

- All fund reserves are considered "committed" to support the general, special education and career technical capital project fund projects.

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. Please let me know if you have any questions.

KP/kg

Attachment

COMMITTED FUNDS

June 30, 2025

June 30, 2025		Major Operating				Capital Projects				
	General Fund	Special Education	Technical Education	Total nonmajor	General Fund Cap Proj	Special Ed Cap Proj	CTE Cap Proj	TOTAL		
<b>Nonspendable:</b>										
Inventories (as of 6/30/24)			\$189,298					\$189,298		
Prepaid items (as of 6/30/24)	\$124,911	\$522,627	\$527,863	\$31,808				\$1,207,209		
<b>Restricted for: (not included in total fund balance)</b>										
Special education		\$7,937,708						\$7,937,708		
Career technical education			\$8,948,349					\$8,948,349		
<b>Committed:</b>										
Capital Improvements/Projects:										
Center program facility needs		\$11,000,000	\$15,000,000			\$4,367,606		\$15,367,606		
CTE program facility needs							\$0	\$15,000,000		
Other capital needs	\$1,000,000	\$1,500,000			\$824,023	\$0	\$2,557,159	\$5,881,182		
TOTAL COMMITTED	\$1,000,000	\$12,500,000	\$15,000,000	\$0	\$824,023	\$4,367,606	\$2,557,159	\$36,248,788		
Unassigned:	\$8,344,254	\$0	\$0	\$3,075,926	\$437,491	\$761,829	\$88,875	\$12,708,375		
PROJECTED FUND TOTAL (as of 6/30/25)	\$9,469,165	\$20,960,335	\$24,665,510	\$3,107,734	\$1,261,514	\$5,129,435	\$2,646,034	\$67,239,727		

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.