

Box Elder School District

960 South Main
Brigham City, Utah

Revised Budget
2011-2012

&

Tentative Budget
2012-2013

June 2012

Prepared May 21, 2012

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Box Elder School District
Budget Revision June 2011-12
Preliminary Adoption 2012-2013

Introductory Section

BOARD OF EDUCATION

Connie Archibald	President
Bryan Smith	Vice President
Karen Cronin	Member
Lynn Capener	Member
James Fuller	Member
Nancy Kennedy	Member
Heather Young	Member

ADMINISTRATION

Ronald Wolff	Superintendent
Terry Jackson	Assistant Superintendent Personnel
Mary Kay Kirkland	Assistant Superintendent Curriculum
Ronald Frandsen	Business Administrator
Lynne Baty	Director Testing
James Christensen	Director Facilities Management
Rodney Cook	Director Finance
Kim Lynch	Coordinator Student Services
Darin Nielson	Coordinator ETI & Technology
Gerald Jackman	Secondary Curriculum Specialist & Applied Technology
Jean Cannon	Supervisor Transportation
Kathy Gifford	Supervisor School Lunch

Executive Summary

Box Elder School District is an independent entity consolidated in 1907 for the purpose of public education. The school district is governed by a Board of Education that is elected by the public. The district boundaries cover all of Box Elder County in northwestern Utah, with the major cities being Brigham City and Tremonton City. The district serves approximately 11,000 Students.

Budget Presentation

Budgets are presented on a modified accrual basis of accounting for all governmental fund types, which include the following:

Fund #	Name
10	General Fund (M & O)
21	Student Activity
23	Non-K12 Programs
31	Debt Service (Bond)
32	Capital Outlay (Capital Projects)
49	School Lunch
50	Municipal Building Fund

Other Funds included in the budget are as follows:

(Primarily Fiduciary Funds)

75	Foundation Fund
76	Agency Fund

A budget of all estimated revenues and expenditures for the school district is required by law. The budget functions as the operational guide for the fiscal year, and as more information becomes available, the budget is revised following board policies and state law. State law requires that all funds balance. The business department continually monitors expenditures and meets with directors to maintain control and facilitate communication with departments on revenue and expenditures.

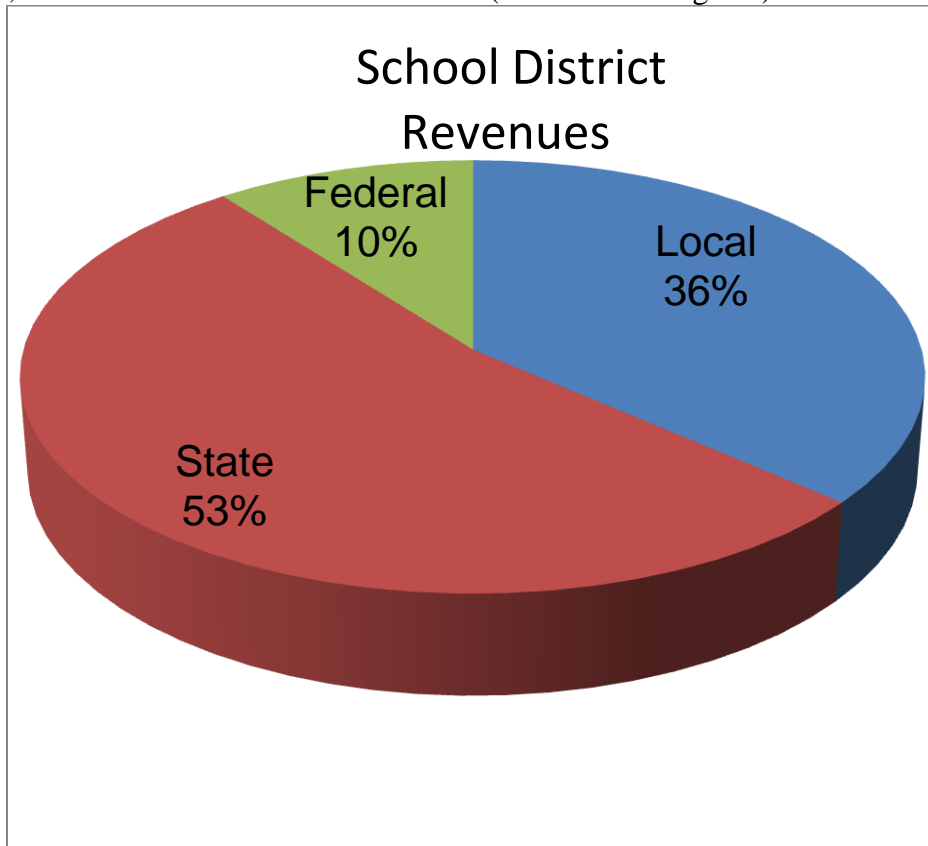
Budget Development

Budget development begins as soon as the final balances are verified by the audit. The formal process begins the end of March as numbers from the legislature are published by the Utah State Office of Education. The District Administrative Team collaborates on developing the initial draft of the budget assuring legality and congruency with established school district mission and goals. In the meantime, the District Administrative Team negotiates with employee groups. Requirements are balanced against resources and the initial budget is consolidated.

As required by state law, the initial budget is on file for public perusal for 10 days before board adoption. The budget is officially adopted at a public hearing in June. If a tax increase is requested, the public hearing takes place in August which is required by law. Once adopted, the document becomes the official budget and the district's operating plan.

Revenue

Box Elder School District receives 53% of its total revenues from the state, 36% from local taxes and fees, 11% from the Federal Government. (2011 audited figures)



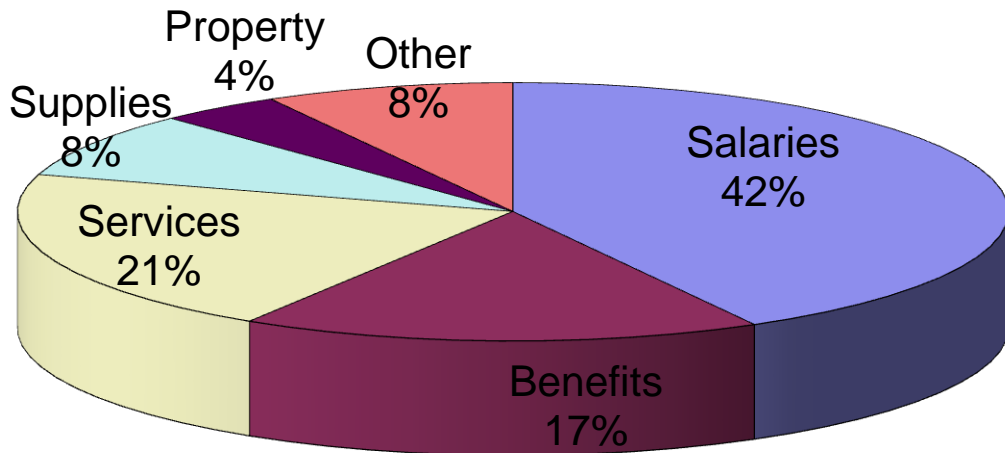
(See Exhibit I)

The state allocation will be \$2,842 per weighted pupil unit for the 2012-13 school years. Allocations from other sources are typically restricted in use for specific programs. Projected interest earnings will be budgeted at 1% for this school year with balances decreasing due to construction completions.

Expenditures

Expenditures are largely committed to human resources for instruction and support in education. Salaries make up 42% of total spending, benefits 17%, supplies 8%, purchased services 21%, property 4%, and other including debt 8% .

Box Elder School District Expenditures Final Audited 2011



(See Exhibit II)

These numbers have changed significantly from previous years because the expenditures for Box Elder and Bear River High School remodels and Galand and Fielding Buildings are being factored into the totals.

Designated Program Balances

At the end of the year, any unspent program balances are required by law to be set aside for future spending in that program. The allowed balances are regulated by the program requirements. These balances are referred to as restricted fund balances because they have been earmarked and restricted for future use for the specific programs and cannot be spent for general education.

Fund Balance and Retained Earnings

Unassigned Fund Balance refers to the balance in the fund after receiving all revenue and paying out expenditures. This balance is typically reallocated as needed to emergency reserve or the building reserve fund by the board. Any unallocated funds are budgeted into the next year's budget in the same fund.

Student Count and WPU

As mentioned above, the State of Utah pays an equal amount of money per student to assure equal access to education for all students. Therefore, Box Elder School District is guaranteed a base amount per student even though the tax revenue in our county does not raise that much money. The district is expecting to receive \$29.9 million dollars in equalization money this year, \$5.53 million of which is local taxes. The district's enrollment has decreased from 11,400 students in the mid 1990's, to

10,500 in 2003; rebounding with a fall enrollment of 11,289 (October 1, 2011). The budget for 2013 was built on 10,554 Weighted Pupil Units (WPU) with a decrease of 50 students. (Kindergarten students are counted at .55 of one WPU.)**These estimates all come from the Minimum School State Estimate Book March 2012.

With a public charter school available in the district it is estimated that the student enrollment will decrease another 350 to 400 students. Staff adjustments will be made immediately to compensate. Other costs may need adjustment as well.

Property Taxes

The budget was built on a valuation of \$3.642 billion in Box Elder County, excluding redevelopment. Each year the district must determine a “certified tax rate” based on the assessed valuation estimate provided by the State Tax Commission. The certified tax rate is that rate which provides the same property tax revenue as was collected during the current year, plus taxes on new growth in the county. The approved tax rate for 2012 was .008442 or \$8.442 per \$1000 of assessed valuation. Since homeowners receive a 45% discount on property taxes, the owner of a \$100,000 primary residence will pay an estimated \$464.31 in property taxes for schools. It is currently estimated that .001665 or \$1.665 per \$1,000 of this total is required by the state as a basic rate for education throughout the state. This is part of the equalization formula for the Weighted Pupil Unit in Utah.

Capital Projects

On November 6, 2007 a bond election passed which allowed the district to bond for 56 million dollars for the remodel of the two high schools and 14 million dollars for growth accommodation of elementary students. All of the 56 million dollars was spent on the high school remodels by June 30, 2011 plus about 6 million in regular capital funds. Garland Elementary School was completed in August 2011 at a total cost of 9.3 million dollars. The Fielding Elementary School is in progress and is scheduled to be completed in August 2012 at a cost of 9.1 million dollars. Also slated for completion in the fall of 2012 is the Box Elder Middle School Gymnasium. Snowville Elementary School will be replaced at an estimated cost of just over 2.1 million and is scheduled to be complete by December 31, 2012. Included in the Capital Outlay Fund budget is revenue for ongoing building maintenance, bus, computer and other equipment replacement.

Legislative Highlights

The economy has forced the legislature to cut budget allotments for schools in 2010, 2011, and 2012. In 2013 growth was funded and a slight increase provided to cover an actuarial increase in the retirement rate. In 2012 one time money was allocated by the board to cover the three school days that had been cut to save money. One time money has been budgeted into 2013 again to cover those three days. The following are major estimated increases or decreases to Box Elder School District general fund

- 2011 Law passed to consolidate tax levies in the general fund starting 2013
- WPU reimbursement increase to \$2,842
- Special Education overall increase \$94,628
- State CTE with a small increase of \$160,305
- The net overall change in state funding appears to be about equal

Federal Revenue

Federal stimulus funds have expired as of September 30, 2011 therefore some expenses will show in the 2011-2012 fiscal year.

With more students qualifying for free and reduced lunch, it is expected that federal revenue will increase in that area. Federal requirements have made a 15 cent per lunch increase in the schools necessary for 2013. This has been reflected in the budget.

Other federal revenues are expected to remain static or decline slightly in the 2012-2013 fiscal year. As revenues are reduced programs are typically also reduced accordingly to compensate for the loss.

Organizational Section

District Entity

The legal name of the district is Box Elder County School District, but to prevent confusion with county government the district usually uses Box Elder School District.

The boundaries are the Box Elder County lines bordered by Idaho on the north, Nevada on the west, Cache County on the east and Tooele and Weber Counties on the south. The school district is a separate entity with seven board members elected in general elections to govern the district.

School districts were created by Article X, Section 6 of the Constitution of the State of Utah, which was passed by a vote of the people on the first Tuesday of November, 1875, and accepted by the United States Government on January 4, 1896. In 1907 Box Elder County schools were consolidated into one district. The laws of the State of Utah give the district all of the usual corporate powers that would distinguish it as being legally separated from Box Elder County and the State of Utah and any of its other political subdivisions.

The laws of the State of Utah give the district the power to levy taxes, determine fees and other charges approve and modify budgets, and issue debt without approval from any other government. There are some ministerial approvals required of Box Elder County and the Utah State Tax Commission for the purpose of assuring that the district has followed the law regarding budgeting and assessing taxes, but there are no substantive approvals required. The district is also subject to the general oversight of the Utah State Board of Education, including a budget approval process that is compliance oriented and is more ministerial in nature than substantive.

The district serves a general population of 43,400 in 5614 square miles. The district consists of twenty two schools. The enrollment is 11,289 (fall of 2011). The five largest taxpayers in Box Elder County are:

- (1) Ruby River Pipeline
- (2) Proctor and Gamble
- (3) Pacificorp
- (4) Malt-O-Meal
- (5) ATK

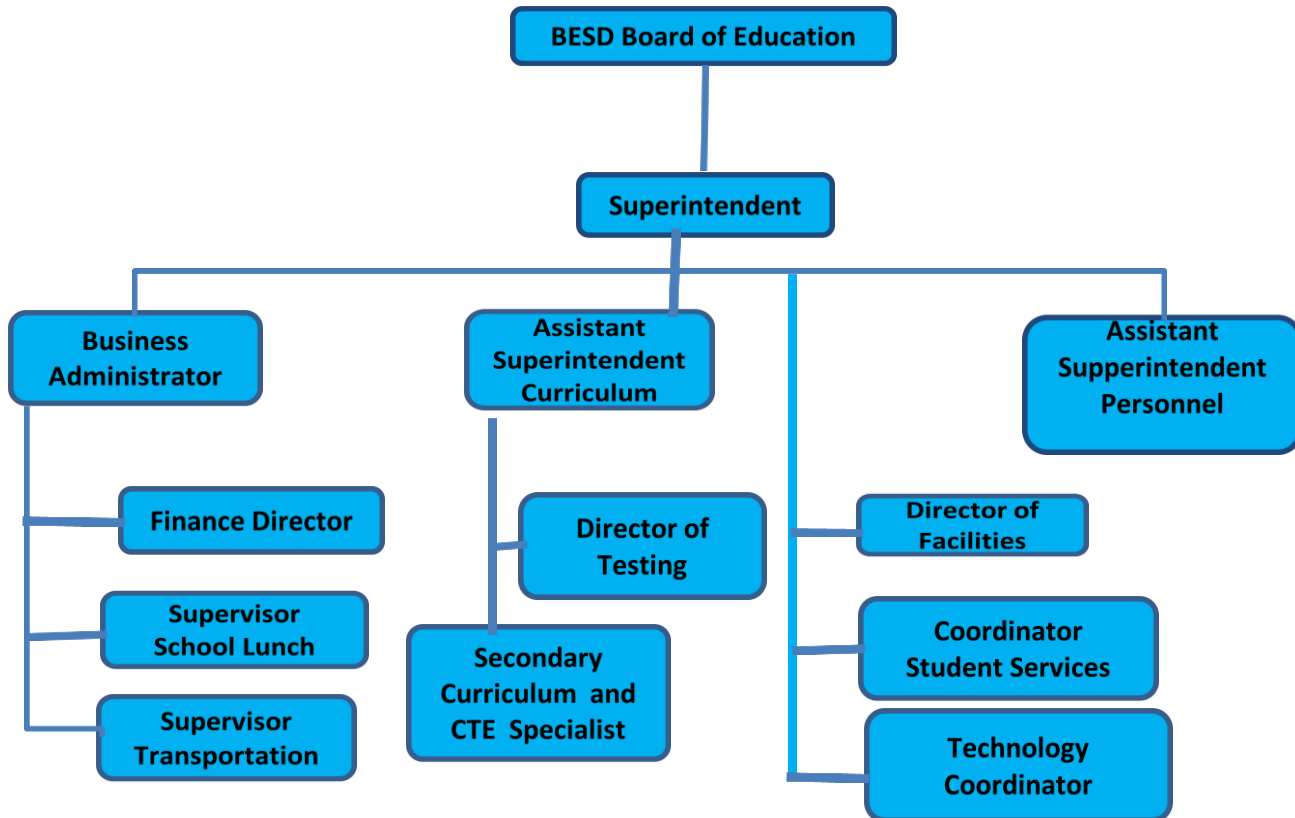
All financial activity in the district is segregated by fund. A fund is a fiscal and financial entity each with its own assets, liabilities, and residual equity or balance. Generally accepted accounting standards have defined and classified funds used by all kinds of governments.

The district has two main fund categories: Governmental and Fiduciary Funds. Governmental Funds are the usual governmental services financed by taxes, including state and federal aid. Fiduciary Funds are held by the government as a trustee or agent for some other entity or group. The four Governmental Funds used by the district are General, Non K-12, Capital Projects and Building Reserve.

Revenues are classified by fund, program, location, and source. The three main divisions of revenue are Local, State, and Federal sources.

Expenditures are classified by fund, program, location, function, and object. All revenues and expenditures are reported on an accrual basis of accounting, meaning they are recognized when the transaction takes place and the money is available within one year or 60 days from the end of the year for tax revenues. Long term physical assets are not depreciated on the governmental statements but will be shown in The Box Elder School District Annual Financial Report in the notes section under Capital Assets.

Administration and Organization



District Mission

The mission of Box Elder School District is to provide all community members learning opportunities which develop skills, knowledge and attitudes necessary to become contributing members of society; and do this by utilizing available resources and creation productive partnerships.

I. SIGNIFICANT LAWS AFFECTING THIS BUDGET

The following is a summary of the significant provisions of the laws of the State of Utah applicable to Utah school district budgets. This budget is adopted in compliance with these legal requirements.

53A-19-101. Superintendent of the School District as Budget Officer - School District Budget

1. The superintendent of each school district is the budget officer of the district.
2. Prior to June 1 of each year, the superintendent shall prepare and file with the local school board a tentative budget. The tentative budget and supporting documents shall include the following items:
 - the revenues and expenditures of the preceding fiscal year;
 - the estimated revenues and expenditures of the current fiscal year;
 - an estimate of the revenues for the succeeding fiscal year based upon the lowest tax levy that will raise the required revenue, using the year's taxable value as the basis for this calculation;
 - a detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year; and
 - the estimated financial condition of the district by funds at the close of the current fiscal year
3. The tentative budget shall be filed with the district business administrator for public inspection at least 15 days prior to the date of its proposed adoption by the local school board.

53A-19-102. Local School Boards Budget Procedures

1. Prior to June 22 of each year, each local school board shall adopt a budget and make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the certified tax rate defined in Subsection 59-2-924(2), the board shall comply with the Tax Increase Disclosure Act in adopting the budget.
2. Prior to the adoption of a budget containing a tax rate which does not exceed the certified tax rate, the board shall hold a public hearing on the proposed budget. In addition to complying with Title 52, Chapter 4, Open and Public Meetings, in regards to the hearing, at least 10 days before the public hearing the board shall do the following:
 - publish a notice of public hearing
 - file a copy of the proposed budget with the board's business administrator for public inspection at least ten days prior to the hearing; and
 - post the proposed budget on the school district's internet website with notification of how to access it in the above notice
3. The board shall file a copy of the adopted budget with the State Auditor and the State Board of Education.

53A-19-103. Undistributed Reserve in School Board Budget

1. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by the board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget. (Box Elder School District currently has

\$2,320,000 in emergency reserve which equates to 3.5% of the 2013 proposed General Fund Budget.)

2. The board may appropriate all or a part of the emergency reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by a majority vote of the board setting forth the reasons for the appropriation. The board shall file a copy of the resolution with the Utah State Board of Education and the Utah State Auditor.
3. The board may not use emergency reserves in the negotiation or settlement of contract salaries for school district employees.

53A-19-104. Limits on Appropriations – Estimated Expendable Revenue

1. A local school board may not make any appropriation in excess of its estimated expendable revenue, including undistributed reserves, for the following fiscal year.
2. In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the district for the previous year.
3. In the event of financial hardships, the board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.
4. All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.
5. A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.
6. An increase in an appropriation may not be made by the board unless the following steps are taken:
 - the board receives a written request from the district superintendent that sets forth the reasons for the proposed increase;
 - notice of the request is published in a newspaper of general circulation within the school district at least one week prior to the board meeting at which the request will be considered; and
 - The board holds a public hearing on the request prior to the board's acting on the request.

53A-19-106. Warrants Drawn by Business Administrator

The business administrator of a local school board may not draw warrants on school district funds except in accordance with and within the limits of the budget passed by the local school board.

53A-19-107. Emergency Expenditures

This chapter does not apply to appropriations required because of emergencies involving loss of life or great loss of property.

53A-19-108. Monthly Budget Reports

1. The business administrator of each local school board shall provide each board member with a report on a monthly basis that includes the following information:
 - the amounts of all budget appropriations;
 - the disbursements from the appropriations as of the date of the report; and
 - The percentage of the disbursements as of the date of the report.
2. A copy of the report shall be available for public review.

II. BUDGET DEVELOPMENT AND ADMINISTRATION POLICIES

The following budget policies of the Board of Education guide the preparation and administration of this budget.

A. Operating Budget Policies

- The district will cover current expenditures with current revenues. The district will avoid budgetary procedures that cover current expenditures at the expense of meeting future years' expenditures, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.
- The budget will provide for adequate maintenance of capital, plant, and equipment, and for orderly replacement of equipment.
- The district will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.
- Where possible, the district will integrate performance measurement and productivity indicators with the budget.
- The district will continue its policy of budgeting for indirect costs in every program to insure that full costs are reflected in every program and fund budget.

B. Capital Improvement Budget Policies

- The district will develop and administer a multi-year plan for capital improvements.
- The district will budget for major capital projects in accordance with the priorities of the Board of Education.
- The district will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budgets.
- The district will maintain all assets at a level adequate to protect the district's capital investment and to minimize future maintenance and replacement costs.
- The district will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the board for approval.

- The district will restrict any new or replacement construction to be consistent with state guidelines for school building utilization.
- The district will determine the least costly financing method for all new projects.

C. Debt Management Policies

- The district will confine long-term borrowing to capital projects and purchases of equipment as required by law.
- When the district finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the asset acquired.
- The district will try to keep the average maturity of general obligation bonds at or below twenty years.
- Total general-obligation debt will not exceed the legal bonding capacity.
- The district will not use long-term debt for current operations.
- The district will meet all debt service obligations when due.
- The district will retire tax and revenue anticipation debt annually.
- The district will maintain communication with bond rating agencies about its financial condition. The district will follow a policy of full disclosure in every financial report and official statement.
- The district will provide to the capital markets ongoing disclosure of annual financial information and material events that may affect the district's financial strength.

D. Revenue Estimation Policies

- The district business administrator will estimate annual revenues by an objective, analytical process. The district will not include revenue in the budget that cannot be verified with documentation of its source and amount.

E. Fund Balance and Reserve Policy

- In order to maintain and protect the long term financial capacity of the district, total fund balance and reserves in the General Fund will be maintained at a responsible level as directed by the board.

F. Accounting, Auditing, and Financial Reporting Policies

- The accounting system will report financial information, on a basis consistent with General Accepted Accounting Principles, as established by the Governmental Accounting Standards Board.
- Regular monthly and annual financial reports will present a summary of financial activity by fund.
- An independent certified public accounting firm will be selected by the Board of Education and will perform an annual audit, and will publicly issue their opinion on the district's financial statement.

G. Control Procedures

- While there is no known fraud prevention guarantee; the following procedures reviewed by Wiggins and Co., the school district's independent auditors, will assure that collusion and/or fraud have to take place in order for the district to lose money. These procedures will protect the district from some of the more common types of fraud. Other suggestions or input on protecting the school district funds are certainly welcome.
- All checks are cut through the regular accounts payable channels that include:
 1. The payable voucher with all documentation is submitted by end user to the school or location secretary.
 2. The principal reviews the request and approves the voucher by signing it.
 3. The voucher is also reviewed and signed by the program director.
 4. The accounts payable clerk then checks extensions, account number, invoice and receiving copy, as well as any documentation for the reimbursement.
 5. The check stock is blank and only available to the accounts payable clerk, and the bank information is coded at printing.
 6. The accounts payable clerk, backup clerk and finance director are the only ones with the password for printing checks.
 7. The checks are cleared through bank reconciliation by the finance director monthly as part of the bank reconciliation.
 8. All accounts payable voided checks are done by the payroll clerk.
- Standard district receipting procedures include the following:
 1. All receipts are received and listed by the receptionist.
 2. Deposit slips are prepared by the purchasing clerk.
 3. The money is then deposited by the business administrator at least twice weekly.
 4. The purchasing clerk reviews, balances, and enters the receipts on the books.
 5. The finance director receives the list of checks and cash from the receptionist and the receipt for the deposit from the business administrator, which are compared for consistency.
 6. The bank statements come to the finance director who reconciles the statements with the general ledger by the fifteenth of the month.
- Payroll and Personnel procedures:
 1. All payroll additions and changes come from the personnel office on a form signed by the director of personnel.
 2. Annually a list of all employees by program is sent to the directors who are asked to review it carefully and sign it and return it to the payroll office. Any questions about personnel are resolved promptly.
 3. Undeliverable W-2's are reviewed by the personnel office, the employee is contacted and corrections are made so they can be sent to the employee.
 4. Annually an audit confirmation sheet is sent to all full time employees detailing pay, benefits, and leave balances. They check for accuracy, sign and return to the personnel office.

5. All pay vouchers and electronic time requests are signed or electronically approved by the principal, then the program director.
6. Payroll vouchers and electronic time requests are reviewed by payroll clerks for accuracy, overtime, and hours worked compared to hours allowed per week.
7. All substitute vouchers are electronically matched to leave requested for teachers or employee they worked for. All payroll payments are direct deposit (ACH) through the main account which is reconciled by the finance director.

- General procedures:
 1. Bank transfers can only be done by the payroll clerk and require an approving signature by the finance director.
 2. All journal entries require two signatures.
 3. Purchasing is decentralized requiring departments and schools to get initial bid quotations on purchases under \$10,000. The requisitions are then checked by the purchasing clerk for bids and accuracy. State contract vendors do not require bids. Curriculum materials have been approved by a textbook committee and the curriculum director so solicitations are not required. Purchases over \$10,000 are advertised and bid on a district level according to board policy.
 4. Schools must maintain records for student activity money using a standard bookkeeping program. The business administrator and finance director audit every school every year. The independent auditors audit two elementary schools and two secondary schools each year on a rotating basis. Schools are required to send in financial reports on a monthly basis to the business administrator.
 5. The management, including the superintendent, encourages business office clerks to question any procedure or expense that may not look proper. The clerks are free to go directly to the superintendent if necessary.

III. BUDGET ADMINISTRATION AND MANAGEMENT PROCESS

Every dollar of expenditure included in this budget is assigned a director as a “cost center controller” for that particular piece of the budget. The directors are responsible to control their budgets, and are subject to disciplinary action for failure to properly control or manage their budgets. The account control system and organization will not allow expenditures to be incurred unless they are properly classified and authorized by the cost center controller and within the limits of available appropriations. Requisitions, purchase orders, etc. are reported as encumbrances against available appropriations at the time they are originated.

Directors are authorized to make changes (reallocations) within their budgets with approval of the finance department. New program budgets or expansions of program budgets require Board approval.

BUDGET CALENDAR – FY 2013

The budget calendar below outlines the actions that must be completed, along with the target dates for completion, in order to present the budget to the Board of Education in a timely manner.

04/11/12	Budget meeting with directors
04/13- 05/21/12	Meetings with directors
05/21/12	Completed budget requests due to business office
05/21/12	Administrative review of proposed budget
05/23/12	Preliminary Proposed Budget completed
05/23/12	Preliminary Proposed Budget presented to the board
05/25/12	Proposed Budget on file for public inspection
06/20/12	Budget Hearing, tentatively approve new budget, revise old budget
07/01/12	Implement FY 2013 budget
08/08/12	Budget Hearing to establish levies (assuming information from county is available), formally adopt new budget

A notice of public hearing on the budget, published in county newspapers, will advertise the date, time, place of the public hearing and inform the public that the proposed budget document is on file in the Business Administrator's office. As part of the budget adoption process, the board will set the mill levy of ad valorem property tax required by the district and the purpose(s) for which it is to be levied.

IV. EXPLANATION OF FUNCTION CLASSIFICATION OF EXPENDITURES

Instructional Services (1000) - This function includes those activities dealing directly with the instruction of pupils. The expenditures which can be identified as being directly related to instruction of pupils in a learning situation are considered as instructional. Teacher salaries, teacher assistant salaries, equipment in the classroom essential to the subject taught, furniture and supplies directly related to instruction are examples of the type of expenditures that are included.

Student Services (2100) - This function encompasses those activities related to promoting and improving student well-being. The costs necessary to manage and provide health and nursing services are identified with this function. It includes providing health services which are not part of direct instruction. This function also includes assessing and testing pupils with respect to career and educational opportunities, and helping them establish realistic goals. The costs of counseling, testing for speech and hearing and special needs assessment are included in this category.

Instructional Support Services (2200) - This function encompasses those activities which have as their purpose managing, directing, and supervising the instructional program and improving the quality of instruction and curriculum. It includes responsibilities in such areas as improvement of curriculum and instruction, research and development, program evaluation, curriculum supervision, and in-service education for professional personnel, as well as supplies and equipment to support the instructional program. This function also embraces the preparing, maintaining, and distribution of library and media resources used to support instruction. Some examples would be costs for media equipment, salaries of media personnel, library books, and periodicals.

Support Services-District Administration (2300) - This function covers those activities which have as their purpose overall administrative responsibility for the entire school system. It includes responsibilities of such areas as the Board of Education, Office of the Superintendent, and Business Administrative Services. Costs include staff salaries, as well as supplies and equipment to support general administration.

Support Services-School Administration (2400) - This function covers those activities which have as their purpose directing, managing, and supervising a school. It includes the principal, assistant principal, and other administrative and clerical staff. Costs necessary to provide personnel, supplies, and equipment to manage and operate a school, should be classified in this function.

Support Services-Business (2500) - This function encompasses those activities concerned with the operation of accounting, purchasing, personnel and technology. Costs include staff salaries, as well as supplies and equipment to support these activities.

Plant Operation and Maintenance Services (2600) - This function encompasses those activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, building, and building equipment in an effective working condition and state of repair.

Student Transportation (2700) - This function covers the costs of providing management and operation services for regular bus routes used to transport students to and from school.

Child Nutrition Services (3100) - This function encompasses those activities which have as their purpose the management of the food service program for the school or school system. And serving of regular and incidental meals, lunches, breakfasts, or snacks in connection with school activities. It includes directing and managing food services, preparing and serving food, operating kitchen equipment, and storage of food and equipment.

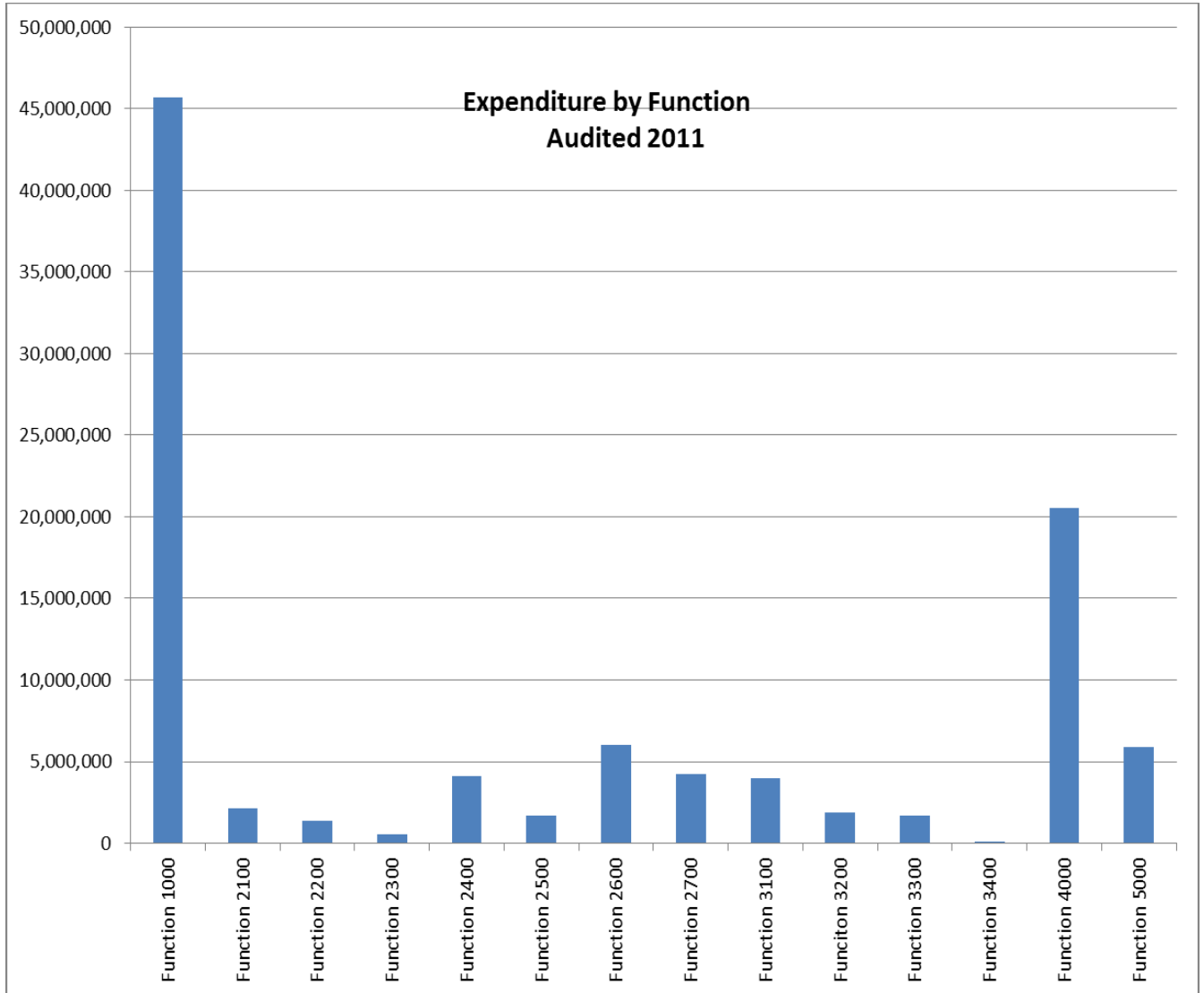
Non-K12 Services (3200) - These are activities that are non-K12 activities such as Pre-School and Adult Education.

Community Services and Building Rental (3300) - This function covers

the activities concerned with the management of and coordination of the natatoriums, community recreation services, and building rentals. This function will move into the general fund as a result of a 2011 law passed by the legislature consolidating several tax levies in the 2012-13 year..

Capital Costs (4000) – This function includes all construction and major capital outlay expenditures for school district operation.

Debt Service (5100) - This function covers bond principal, interest, and paying agent costs.



Financial Section

The financial section is made up of the following:

- Summary of Budgets (All Governmental Funds)
- General Fund with Expenditures by Function Yearly Comparison
- General Fund with Expenditures by Object Yearly Comparison
- General Fund Major Revenue Sources
- General Fund Major Expenditures by Function
- Special Revenue Funds Revenue
- School Activity Fund Budget Revenue and Expenditure by Function
- Non-K12 Fund Budget Revenue and Expenditure by Function
- Child Nutrition Fund Budget by Revenues and Expenditures
- Capital and Debt Service Funds Summary
- Capital Outlay Fund Budget
- District Enrollment Trends
- Governmental Funds Revenue Summary Yearly Comparison
- Budget information built on the monthly board report format. It includes columns showing 2009-2010 actual, 2010-2011 actual, 2011-12 revised, with 2011-12 preliminary budgets. The board will be asked to approve both the revised budget for 2011-2012 and the preliminary for 2012-2013 at the budget hearing on June 13, 2011. Tax levies will be established through board approval on August 8, 2012 at board meeting.
 - The board levy requested for the reading program is included in the 2007-2013 budgets inclusive.
 - The anticipated costs of steps, lanes, insurance and other employee benefits are included in the budget but may vary with negotiations.
 - Anticipated increases in utilities and fuel have also been included in the budget.
 - Increased one-time and program expenditures have been added in the budget amounts.
 - Budgeted revenues have been built in with corresponding expenditures.
 - State revenue has been estimated using the best information available as of the end of April 2012 from the state.