

# MADISON CITY BOARD OF EDUCATION

## Budgeted General Fund Revenues Comparison

	2018 Budget	2017 Budget	% of Change
Foundation Program	\$ 49,800,114.00	\$ 47,379,725.00	5.11%
Current Units	\$ -	\$ 519,314.00	-100.00%
School Nurses	\$ 373,942.00	\$ 362,442.00	3.17%
Technology Coordinator	\$ 42,711.00	\$ 35,411.00	20.62%
Career Tech O & M	\$ 82,745.00	\$ 74,764.00	10.67%
Reading Initiative	\$ 355,238.00	\$ 430,616.00	-17.50%
State ESL(English Second Language)	\$ 35,154.00	\$ 31,508.00	11.57%
Gifted Education	\$ -	\$ 34,155.00	-100.00%
HIPPY	\$ 67,500.00	\$ 67,500.00	0.00%
Teacher Mentoring	\$ -	\$ 14,500.00	-100.00%
Advanced Placement	\$ 3,000.00	\$ 6,432.00	-53.36%
Transportation Operations	\$ 2,706,366.00	\$ 2,689,623.00	0.62%
At-Risk	\$ 137,787.00	\$ 127,166.00	8.35%
Pre-School	\$ 20,698.00	\$ 26,946.00	-23.19%
OSR-Pre School Grant	\$ 768,900.00	\$ 424,770.00	81.02%
State Contracts	\$ 292,059.72	\$ 305,234.00	-4.32%
Public School Fund-Interest	\$ 7,000.00	\$ 7,000.00	100.00%
Driver Ed and Training Fund	\$ -	\$ 15,000.00	-100.00%
Penny Fund Disease	\$ 3,000.00	\$ 3,000.00	100.00%
Other State Sources	\$ 105,000.00	\$ 115,000.00	-8.70%
Impact Aid	\$ 300,000.00	\$ 300,000.00	0.00%
County Wide Ad Valorem 5.5 Mills	\$ 4,202,019.00	\$ 4,051,815.00	3.71%
Business Privilege Tax	\$ 28,000.00	\$ 28,000.00	0.00%
County Sales Tax .5%	\$ 4,710,468.00	\$ 4,573,270.00	3.00%
County Tobacco Tax	\$ 57,000.00	\$ 62,378.00	-8.62%
District Regular Ad Valorem 4.0 Mills	\$ 2,443,205.00	\$ 2,395,299.00	2.00%
District Special Ad Valorem 6.5 Mills	\$ 3,959,069.00	\$ 3,881,440.00	2.00%
District Special Ad Valorem 11.0 Mills	\$ 7,732,277.00	\$ 7,470,799.00	3.50%
District Special Ad Valorem 9.0 Mills	\$ 145,160.00	\$ 131,964.00	10.00%
Limestone County 10.5 Mills	\$ 1,090,139.00	\$ 991,035.00	10.00%
District Sales Tax 1%	\$ 3,593,448.00	\$ 3,505,803.18	2.50%
Helping Schools	\$ 4,000.00	\$ 3,592.00	11.36%
Manufactured Home Registration Fees	\$ 475.00	\$ 463.00	2.59%
TVA-In-Lieu	\$ 1,650,000.00	\$ 1,650,000.00	0.00%
Interest	\$ 19,000.00	\$ 19,000.00	0.00%
Pre-School Fees	\$ 205,760.00	\$ 190,000.00	8.29%
UAH/AMSTI Grant	\$ 185,264.18	\$ 182,605.00	1.46%
Huntsville Hospital Grant	\$ 20,000.00	\$ 20,000.00	0.00%
Local Grant	\$ 115,400.00	\$ 182,800.00	-36.87%
Medicaid Outreach Program	\$ 375,000.00	\$ 386,000.00	-2.85%
Other Local Sources	\$ 14,140.00	\$ 63,873.54	-77.86%
Other Miscellaneous Revenue	\$ 27,000.00	\$ 25,000.00	8.00%
Enemoc	\$ 200.00	\$ 500.00	-60.00%
Medicare Eligible Funds	\$ 1,500.00	\$ 1,500.00	0.00%
E-Rate	\$ -	\$ 1,000.00	-100.00%
Extracurr Trip Mileage Charges-Bus Act	\$ 209,690.00	\$ 159,910.00	31.13%
Other Transportation Charges	\$ 102,000.00	\$ 114,950.00	-11.27%
Indirect Cost	\$ 345,581.94	\$ 345,572.78	0.00%
Sale of Fixed Assets	\$ -	\$ 18,158.80	-100.00%
Insurance Loss Recoveries	\$ -	\$ 1,500.00	-100.00%
Refunds on Prior Year Expenditures	\$ -	\$ 29,000.00	-100.00%
<b>Total</b>	<b>\$ 86,337,010.84</b>	<b>\$ 83,457,334.30</b>	<b>3.45%</b>

State Department of Education

FY2018 Foundation Program

Final FY2018

169 Madison City	FY 2018		FY 2017	Change
System ADM	10,279.20		9,907.35	371.85
<b>Foundation Program Units</b>				
Teachers	582.77		559.44	23.33
Principals	11.00		11.00	0.00
Assistant Principals	14.50		12.50	2.00
Counselors	18.00		18.00	0.00
Librarians	13.00		13.00	0.00
Career Tech Directors	1.25		1.25	0.00
Career Tech Counselors	0.00		0.00	0.00
<b>Total Units</b>	<b>640.52</b>		<b>615.19</b>	<b>25.33</b>
<b>Foundation Program (State and Local Funds)</b>				
Salaries	31,568,178		30,531,266	1,036,912
Fringe Benefits	12,736,380		12,204,815	531,565
Other Current Expense (\$17,533 /unit)	11,229,937	(\$17,021 /unit)	10,471,370	758,567
<b>Classroom Instructional Support</b>				
Student Materials (\$421.514/unit)	269,987	(\$405.4534/unit)	249,430	20,557
Technology (\$211.51301/unit)	135,480	(\$169.34348/unit)	104,179	31,301
Library Enhancement (\$30.4396/unit)	19,498	(\$21.2621/unit)	13,081	6,417
Professional Development (\$77.5519/unit)	49,675	(\$63.78568/unit)	39,240	10,435
Common Purchase (\$0/unit)	0	(\$0/unit)	0	0
Textbooks (\$54.51776/adm)	560,399	(\$54.07313/adm)	535,721	24,678
<b>Total Foundation Program</b>	<b>56,569,534</b>		<b>54,109,862</b>	<b>2,420,432</b>
<b>State Funds</b>				
Foundation Program ETF	49,800,114		47,634,652	2,165,462
School Nurses Program	373,942		362,442	11,500
Salaries - 1% per Act 97-238	0		0	0
Technology Coordinator	42,711		35,411	7,300
<b>Transportation</b>				
Transportation Operations	2,706,366		2,689,623	16,743
Fleet Renewal (\$6,344 /bus)	386,958	(\$6,382 /bus)	389,302	-2,344
Current Units	0		548,524	-548,524
Capital Purchase	2,624,788		2,446,021	178,767
At Risk	137,787		127,166	10,621
Career Tech O and M	82,745		74,764	7,981
<b>Total State Funds</b>	<b>56,155,411</b>		<b>54,307,905</b>	<b>1,847,506</b>
<b>Local Funds</b>				
Foundation Program (10 Mills)	6,769,420	(10 Mills)	6,514,450	254,970
Capital Purchase (0.868535 Mills)	589,238	(0.928156 Mills)	606,908	-17,670
<b>Total Local Funds</b>	<b>7,358,658</b>		<b>7,121,358</b>	<b>237,300</b>
<i>Monthly Allocation = (Foundation Program - ETF, School Nurse, High Hopes, 1% Salaries, Tech Coord, Transportation, At-Risk, and Preschool)</i>				
11 months	4,453,989		4,315,593	138,396
12th month	4,453,999		4,315,597	138,402

State Department of Education  
 FY2018 State Totals  
 Final FY2018

<b>STATE TOTALS</b>	<b>FY 2018</b>		<b>FY 2017</b>		<b>Change</b>
Total ADM	734,118.85		734,870.15		-751.30
<b>Foundation Program Units</b>					
Teachers	42,183.36		42,145.64		37.72
Principals	1,325.00		1,322.00		3.00
Assistant Principals	841.00		838.50		2.50
Counselors	1,477.00		1,476.50		0.50
Librarians	1,346.00		1,342.00		4.00
Career Tech Directors	193.25		190.00		3.25
Career Tech Counselors	62.00		57.00		5.00
<b>Total Units</b>	<b>47,427.61</b>		<b>47,371.64</b>		<b>55.97</b>
<b>Foundation Program (State and Local Funds)</b>					
Salaries	2,360,226,524		2,360,759,963		-533,439
Fringe Benefits	947,623,986		941,740,190		5,883,796
Other Current Expense (\$17,533 /unit)	831,526,119	(\$17,021 /unit)	806,329,604		25,196,515
<b>Classroom Instructional Support</b>					
Student Materials (\$421,514/unit)	19,991,409	(\$405,4534/unit)	19,207,001		784,408
Technology (\$211,51301/unit)	10,031,574	(\$169,34348/unit)	8,022,090		2,009,484
Library Enhancement (\$30,4396/unit)	1,443,688	(\$21,2621/unit)	1,007,233		436,455
Professional Development (\$77,5519/unit)	3,678,095	(\$63,78568/unit)	3,021,630		656,465
Common Purchase (\$0/unit)	0	(\$0/unit)	0		0
Textbooks (\$54,51776/adm)	40,022,524	(\$54,07313/adm)	39,736,715		285,809
<b>Total Foundation Program</b>	<b>4,214,543,919</b>		<b>4,179,824,426</b>		<b>34,719,493</b>
<b>State Funds</b>					
Foundation Program ETF	3,644,218,589		3,625,239,406		18,979,183
School Nurses Program	31,184,889		31,184,889		0
Salaries - 1% per Act 97-238	0		0		0
Technology Coordinator	5,851,369		4,851,369		1,000,000
Transportation Operations	301,294,330		297,843,748		3,450,582
Fleet Renewal (\$6,344 /bus)	37,934,608	(\$6,382 /bus)	37,934,608		0
Current Units	9,609,561		9,609,561		0
At Risk	20,267,734		20,267,734		0
Board Of Adjustment	750,800		750,800		0
Career Tech O and M	5,000,000		5,000,000		0
<b>ETF Subtotal</b>	<b>4,056,111,880</b>		<b>4,032,682,115</b>		<b>23,429,765</b>
Capital Purchase	180,000,000		175,000,000		5,000,000
Debt Service	532,864		532,864		0
<b>PSF Subtotal</b>	<b>180,532,864</b>		<b>175,532,864</b>		<b>5,000,000</b>
<b>Total State Funds</b>	<b>4,236,644,744</b>		<b>4,208,214,979</b>		<b>28,429,765</b>
<b>Local Funds</b>					
Foundation Program (10 Mills)	570,325,330	(10 Mills)	554,585,020		15,740,310
Capital Purchase (0.868535 Mills)	49,538,973	(0.928156 Mills)	51,448,691		-1,909,718
<b>Total Local Funds</b>	<b>619,864,303</b>		<b>606,033,711</b>		<b>13,830,592</b>

State Department of Education  
 FY2018 State Totals  
 Final FY2018

Variables

<i>Grade Divisors</i>		<i>Instructional Support</i>	
Gr K	14.25	Teacher Materials	\$421.51
Gr 1	14.25	Technology	\$211.51
Gr 2	14.25	Library Enhancements	\$30.44
Gr 3	14.25	Professional Development	\$77.55
Gr 4	21.43	Textbooks	\$54.52
Gr 5	21.43	Common Purchase	\$0.00
Gr 6	21.43	<i>Transportation</i>	
Gr 7	19.70	Fleet Renewal	\$6,344
Gr 8	19.70	Trans Leave Rate	\$40
Gr 9	17.95	Trans Adjustment1	-\$68,388,608
Gr 10	17.95	Trans Adjustment2	\$1,842,572
Gr 11	17.95	Trans Adjustment3	\$834,735
Gr 12	17.95	<i>Local Match</i>	
<i>Fringe Benefits</i>		Foundation Program	10.00
Pechip	\$800	PSF	\$180,000,000
Retirement	12.24%	PSF Adjustment	\$0
FICA	6.20%	<i>Extension Increase</i>	
Medicare	1.45%	Elementary Principal	.31
Unemployment Comp	0.1250%	Middle Principal	.35
Sick Days	5	Secondary Principal	.45
Personal Days	2	Unit Principal	.45
<i>Amended Leave Rate</i>		Elementary Asst Principal	.10
Certified Leave Rate	\$60	Middle Asst Principal	.10
<i>OCE</i>		Secondary Asst Principal	.10
Oce Adjustment1	\$81,873	Unit Asst Principal	.10
Oce Adjustment2	\$23,991,741	Elementary Counselor	.00
<i>Other</i>		Middle Counselor	.00
Contract Days FP	187	Secondary Counselor	.03
Contract Days Support	182	Unit Counselor	.03
Contract Days Transportation	182	Career Tech Counselor	.03
Pay Raise % Support	0	Career Tech Director	.45
Pay Raise % Transportation	0		
(Foundation) <3	0		
<6	0		
<9	0		
<12	0		
<15	0		
<18	0		
<21	0		
<24	0		
<27	0		
27 +	0		

*FY 2018 Foundation Program*

**State Minimum Salary Schedule  
Classroom Teachers**

**Public School Experience - 187 Day Contract**

	Bachelor BS	Master MS	Education Specialist or Sixth-Year ED. S. or Sixth-Year	Doctoral DO	Non-Degree ND
< 3 yrs	38,342	44,091	47,543	50,993	38,342
< 6 yrs	42,173	48,499	52,294	56,092	42,173
< 9 yrs	44,020	50,622	54,599	58,547	44,020
< 12 yrs	44,610	51,302	55,319	59,333	44,610
< 15 yrs	45,421	52,232	56,321	60,412	45,421
< 18 yrs	46,457	53,426	57,607	61,785	46,457
< 21 yrs	47,057	54,113	58,349	62,586	47,057
< 24 yrs	47,658	54,807	59,095	63,385	47,658
< 27 yrs	48,225	55,375	59,665	63,954	48,225
27+ yrs	48,794	55,944	60,233	64,522	48,794

The anniversary date of experience shall be used to determine the appropriate step for qualified public education experience.

An employee is entitled to pay for an advanced degree in the monthly pay period that begins after the State Superintendent recognizes the advanced degree. If the contract period has ended, the increase in pay will become effective with the first pay period of the next contract. The advanced degree must be earned from a regionally accredited institution.

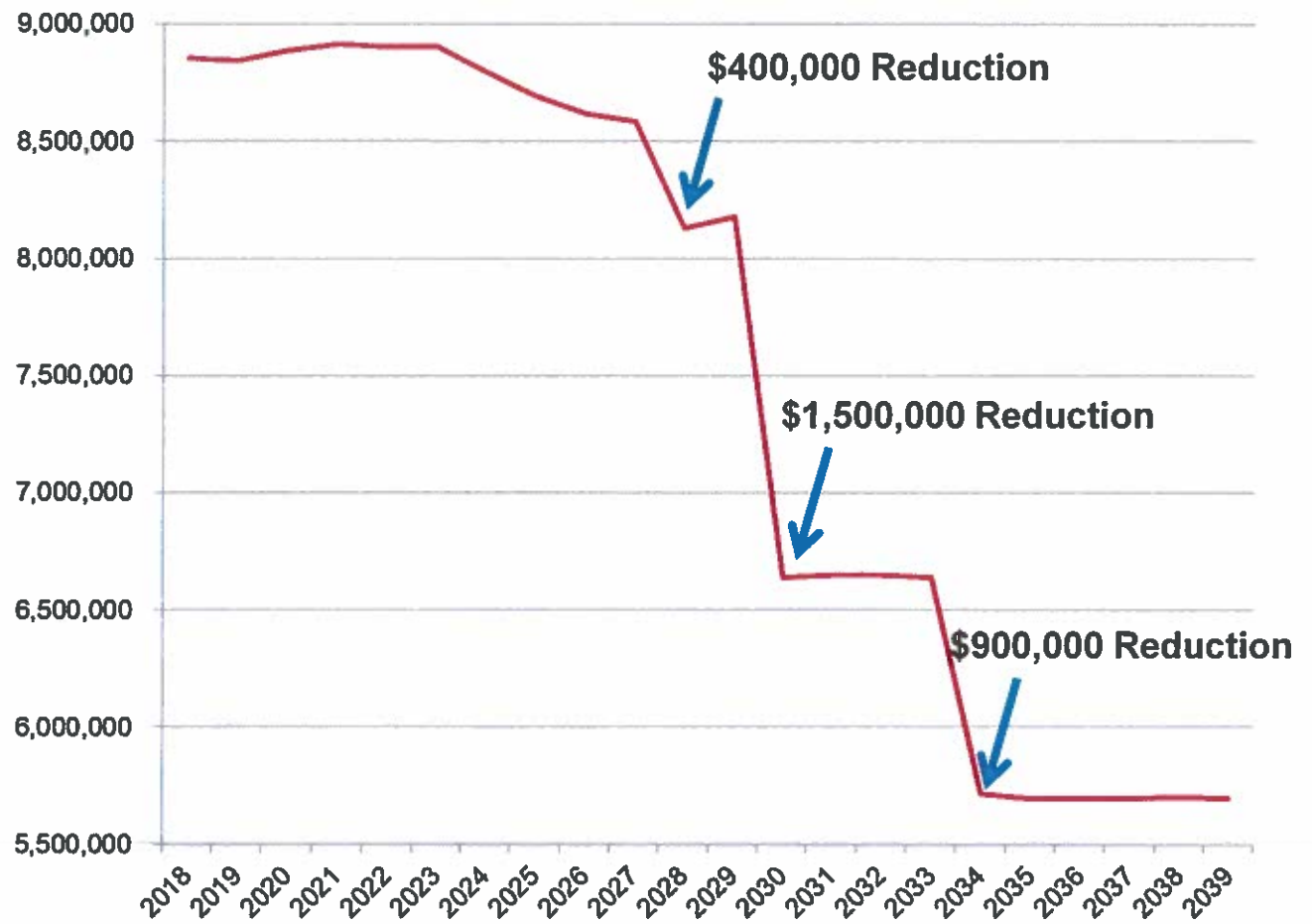
State of Alabama

Department of Education  
 State Supported Facility Analysis  
 FY 2018 Foundation Program

<u>System Name</u>	<u>Facility Name</u>	<u>BEDS</u>	<u>100 % Allocation</u>	<u>Less 4 % Admin</u>	<u>Payment to Treatment Center</u>
Anniston City	Coosa Valley Youth Services	91	\$490,678	\$19,627	\$471,051
Athens City	The Pinnacle Schools	60	\$323,524	\$12,941	\$310,583
Attalla City	The Bridge, Inc Gadsden	82	\$442,150	\$17,686	\$424,464
Baldwin County	Baldwin County Regional Juvenile Detention Center	78	\$420,581	\$16,823	\$403,758
Bessemer City	The Rushton School(Gateway Center)	50	\$269,604	\$10,784	\$258,820
Bibb County	The Boyd School	26	\$140,194	\$5,608	\$134,586
Bibb County	Tri-Wil, Inc.	40	\$215,683	\$8,627	\$207,056
Birmingham City	Alabama Clinical Schools	95	\$512,247	\$20,490	\$491,757
Birmingham City	Higdon Hill School	111	\$598,520	\$23,941	\$574,579
Birmingham City	Jefferson County Youth Detention Center	80	\$431,366	\$17,255	\$414,111
Coffee County	Pathway, Inc.	131	\$706,361	\$28,254	\$678,107
Colbert County	Tennessee Valley Juvenile Detention	25	\$134,802	\$5,392	\$129,410
Conecuh County	Compass Academy	45	\$242,643	\$9,706	\$232,937
Dale County	Vivian B Adams School	260	\$1,401,938	\$56,078	\$1,345,860
Dallas County	Dallas County Juvenile Detention Center	74	\$399,013	\$15,961	\$383,052
Dallas County	Perry Varner Educational and Treatment Facility	32	\$172,546	\$6,902	\$165,644
Dallas County	SafetyNet Academy Minter	24	\$129,410	\$5,176	\$124,234
Decatur City	Decatur Morgan Hospital	26	\$140,194	\$5,608	\$134,586
Decatur City	Morgan County System of Services, Inc.	46	\$248,035	\$9,921	\$238,114
Dothan City	Laurel Oaks Behavioral Health Center	80	\$431,366	\$17,255	\$414,111
Dothan City	Southeast Alabama Youth Sevices, Inc.	49	\$264,211	\$10,568	\$253,643
Elmore County	J.F. Ingram State Technical College Special Services	400	\$2,156,828	\$86,273	\$2,070,555
Escambia County	Compass School	40	\$215,683	\$8,627	\$207,056
Florence City	Girls Group Home of Northwest Alabama	8	\$43,137	\$1,725	\$41,412
Gadsden City	Southeastern Psychiaric Management, Inc.	82	\$442,150	\$17,686	\$424,464
Henry County	Southeast Alabama Human Development Council, Inc. - Boys	40	\$215,683	\$8,627	\$207,056
Henry County	Southeast Alabama Human Development Council, Inc. - Girls	26	\$140,194	\$5,608	\$134,586
Huntsville City	Neaves-Davis Detention Center for Children	41	\$221,075	\$8,843	\$212,232
Jefferson County	Glenwood, Inc.	85	\$458,326	\$18,333	\$439,993
Lawrence County	Sequel TSI Courtland, LLC	46	\$248,035	\$9,921	\$238,114
Limestone County	The Pinnacle Schools	60	\$323,524	\$12,941	\$310,583
Lowndes County	EXCEL	73	\$393,621	\$15,745	\$377,876
Macon County	Sequel TSI Tuskegee, LLC	65	\$350,485	\$14,019	\$336,466
Madison City	Sequel TSI Madison, LLC	50	\$269,604	\$10,784	\$258,820
Madison County	Sequel TSI New Beginnings, LLC	31	\$167,154	\$6,686	\$160,468
Mobile County	BayPointe Residential-AltaPointe Health Systems	75	\$404,405	\$16,176	\$388,229
Mobile County	Learning Tree Inc Semmes	80	\$431,366	\$17,255	\$414,111
Mobile County	P.O.I.N.T.E. Academy, LLC	357	\$1,924,969	\$76,999	\$1,847,970

# Madison City School's Outstanding Debt

Fiscal Year	Total
2018	8,854,673.74
2019	8,844,570.31
2020	8,891,368.44
2021	8,916,046.18
2022	8,905,880.30
2023	8,906,384.17
2024	8,796,671.76
2025	8,694,913.50
2026	8,616,882.38
2027	8,585,771.31
2028	8,130,570.33
2029	8,181,708.23
2030	6,638,052.17
2031	6,649,217.64
2032	6,648,916.75
2033	6,639,535.76
2034	5,716,020.00
2035	5,697,963.75
2036	5,698,570.00
2037	5,697,810.00
2038	5,700,398.75
2039	5,696,255.00
<b>TOTAL</b>	<b>165,108,180.47</b>



**Requirements for Budget Hearings  
Section 16-13-140 Code of Alabama (as amended by Act 97-624)**

LEA Budget shall include:

Form to be used:

a. Total resources available to LEA from all funding & revenue sources

Proposed Annual Budget of Revenues and Expenditures (Exhibit P-I)

b. Total proposed expenditures by school and total for LEA

1. Proposed Annual Budget of Revenues and Expenditures (Exhibit P-I)

2. Proposed Budget of Expenditures by School or Cost Center (Exhibit P-II)

c. Proposed expenditures by category or function

Proposed Budget of Expenditures by School or Cost Center (Exhibit P-II)

d. Operating resources earned by school for Foundation Program

Attachment to Proposed Budget by School or Cost Center (Exhibit P-II)

e. Projected enrollment by school and total for LEA

Attachment to Proposed Budget by School or Cost Center (Exhibit P-II)

f. Number to be employed at each school as follows:

Attachment to Proposed Budget by School or Cost Center (Exhibit P-II)

Teachers

Librarians

Counselors

Administrators

Other Support Personnel



## PREFACE

This document is presented to aid in the communication of financial information to the general public and to solicit input into the budgeting process for public education in the Madison City School System. The attached Proposed Annual Budget is developed for a fiscal year beginning October 1<sup>st</sup> and ending September 30<sup>th</sup> and includes funds received and generated from State, Federal, Local, Other, and Other Financing Sources. All budget reports are prepared in accordance with general accepted accounting principles and comply with reporting requirements outlined in the Financial Planning, Budgeting And Reporting System For Alabama Public Schools.

The budgeting process is designed to develop for the school system a tool in order to provide an overall plan for the use of financial resources that will best serve the needs of the current student body and to encourage the concept of site based management. With the implementation of site-based management, decisions for the use of the financial resources are to be made by the system's personnel responsible for accomplishing the desired results. In addition to the financial plan presented in the Proposed Budget the school system is required to submit to the State Department of Education nine other operational plans. These additional plans are as follows: (1) Capital Projects; (2) Student Transportation; (3) Professional Development; (4) Technology; (5) Special Education; (6) At-Risk Students; (7) Career/Technical Education; (8) Federal Programs; and (9) School Safety.

The Madison City School System's overall mission statement is as follows:

**MISSION STATEMENT**

Madison City Schools, with effective leadership and community cooperation, will provide all students a nurturing environment, an uncompromising excellence in instruction, a relevant and rigorous curriculum and state-of-the-art facilities so that they can achieve their fullest potential, strive toward global learning, compete globally in the work force and contribute positively to society.

## BUDGET INFORMATION

### Introduction

The budget for Madison City School System is developed for the fiscal year beginning October 1<sup>st</sup>, 2017 and ending September 30<sup>th</sup>, 2018. All anticipated revenues from State, Federal, Local and Other Fund sources are included according to information obtained from appropriations, allocations, grants, taxes, and other generated sources. Financial resources have been assigned to the various programs of the school system in an effort to best serve the needs of the current student body. The most effective expenditure of these financial resources is determined by receiving input from parents, teachers, school administrators, program directors/coordinators and system administrators. Also, consideration must be given to budget constraints and requirements from other governing authorities such as the U. S. Department of Education, State Department of Education, State Legislature and the Southern Association of Colleges and Schools. Consideration must also be given to the fact that some State and Federal funds require a school system to budget local monies as a condition of receiving those funds.

Even though the largest part of State revenue sources are designed to be in the form of block grants to the local school system, with decisions of their expenditures left with the local system, some requirements are in place. Some of the State mandates and budget constraints are as follows:

- A. Minimum salary schedule in consideration of the State Salary Matrix
- B. Fringe benefits required by State law
- C. Required leave allocations
- D. Required pupil/teacher ratio at specified grade levels
- E. Budget constraints for Instructional Support funds
- F. Required local fund match for Foundation Program funds
- G. Required local fund match for Capital Project funds
- H. Student transportation requirements
- I. Insurance and bonding requirements on school facilities and personnel
- J. Career/Technical Education expenditure requirements

Federal revenues also have budget constraints and requirements. Some of the Federal mandates and constraints are as follows:

- A. Expenditures from federal funds must be for supplemental programs that increase services and not used to replace programs being provided with other financial resources.
- B. Funds are categorical in nature and must be expended for specific priorities.
- C. Grants are annual in nature and provide no assurance of continued funding.

The Proposed Annual Budget includes two documents as follows:

- A. Proposed Annual Budget of Revenues and Expenditures (Exhibit P-I) presents the total budget for the LEA, which provides a detailed listing of all revenues available to the LEA and anticipated expenditures summarized by major function. An attachment to the budget provides additional data such as total Foundation Program allocation, projected enrollment, and projected employees.
- B. Proposed Budget of Expenditures by School or Cost Center (Exhibit P-II) presents the anticipated expenditures by major function and category of expense for each school. Other cost center budgets represent expenditures or activities serving more than one school. An attachment to the budget provides additional information such as the portion of the Foundation Program allocation calculated, the projected enrollment, and projected employees for each school site. The local school funds budgeted are also included. Any additional information that is unique to a particular school and is pertinent to the budget is also provided.

## GLOSSARY OF TERMS

1. **Beginning Balance-October 1<sup>st</sup>** Revenues not expended during the previous fiscal year and available in the next year.
  
2. **Fund Types**
  - A. **Governmental**

These fund types are the segment of the accounting system through which most school system functions are typically financed. The reporting focus of these fund types is to determine financial position through the recording of changes caused by the receipt of revenues and the expenditure of resources rather than determining net income or loss.

    - (1) **General** This fund type accounts for all financial resources of the school system except those required to be accounted for in another fund. The primary operating functions of a local school system are performed in the general fund type.
    - (2) **Special Revenue** This fund type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
    - (3) **Debt Service** This fund type accounts for the accumulation of resources for the payment of general long-term debt, both principal and interest.
    - (4) **Capital Project** This fund type accounts for financial resources used to acquire or construct major capital facilities other than those of proprietary and trust funds.
  - B. **Proprietary**

This fund type is used to account for school system activities that are similar to business operations in the private sector, or where the reporting focus is on determining net income, financial position and cash flows and when the activity is to be self supporting. It is recommended that proprietary fund types be used when the school system conducts business type activities that receive a significant portion of their financial resources through user charges.

C. Fiduciary

This fund type is used to account for assets held by the school system as trustee or agent. Expendable Trust Fund sources are accounted for in essentially the same manner as governmental fund sources. Non-expendable Trust Fund sources are accounted for in essentially the same manner as proprietary fund sources. Agency fund sources are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations.

**3. Expenditures by Function**

A. Instructional Services

Instructional activities dealing directly with the interaction between teachers and students. Teaching may be provided for pupils in a school classroom, in another location such as a home or hospital and in other learning situations such as those involving co-curricular activities (Co-curricular includes such activities as field trips, athletics, band and school clubs.)

B. Instructional Support Services

Those services or activities providing supervision and/or technical and logistical support to facilitate and enhance instruction. Such services will include student support, instructional staff support, educational media and local school administration.

C. Operation & Maintenance Services

Activities concerned with keeping the physical plant open, comfortable and safe for use and keeping the grounds, building and equipment in effective working condition and good state of repair.

D. Auxiliary Services

Those activities or services functioning in a subsidiary capacity and lending assistance to the educational process. Included in this function are student transportation services and food service operations.

E. General Administrative Services

Activities concerned with establishing and administering policy for operating the school system.

F. Capital Outlay - Real Property

Activities concerned with acquiring land and buildings, land and building improvements, building additions, and construction and architecture and engineering services.

- G. Debt Services - Long Term      Activities involved in servicing the long term debt(s) of the school system. These include payments of principal and interest on bond and warrant obligations, payments of principal and interest on lease-purchase agreements and payments of other related debt service charges incurred such as handling charges from lending institutions.
- H. Other Expenditures              Activities involving the operations of programs other than those normally considered “day school”. These include activities dealing with Adult/Continuing education programs, nonpublic school programs and services, and community services.
4. **Expenditures By Cost Center**      Direct charge to the applicable school site or vocational cost centers. Expenditures which are not charged to a specific site are charged to a cost center pool.
5. **Expend by Object and/or Category**              The object of expenditure component is to identify the service or commodity obtained as the result of a specific function of expenditure.
6. **Foundation Program Operating Resources Earned (State and Local Funds)**      Allocation of appropriated state dollars to include required local revenue amounts that school systems are required to match in order to receive the state dollars. Allocation amounts are determined in accordance with the formula as outlined in the Foundation Program law.