

# ***2018-19 Budget***



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# **USD 445**

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Coffeyville

Montgomery County, KS



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## District Budget

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- Code 55..... Textbook & Student Material Revolving – Revenue (local) and expenditures for textbooks, musical equipment, materials and supplies, etc.
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- Code 62..... Bond and Interest (USD) #1 – Revenue (local, county, state) and expenditures for principle and interest
- Code 99..... Notice of Hearing (published in newspaper) is a summary showing operating funds and total expenditures, special education cooperative, total taxes levied and estimated tax rate. Other line items include library board, recreation commission, assessed valuation, lease purchase principle, and total USD debt.
- 2<sup>nd</sup> Publication..... This “Public Notice of Vote” is required to be published in the local paper if *Taxes Levied* for the budget year is 1.4 percent increase over the prior year.
- Average Salary..... This page provides FTE and average salaries for administrators, teachers, licensed personnel, and substitutes.

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- Kansas State Building Report Card – Aggregate performance and demographic data related to district and buildings within the State. (Postsecondary, graduation, dropout, attendance, ACT scores, etc.)
- Kansas K-12 Reports – Information on counties, districts, and schools in the State. (Building, district or state totals for attendance, enrollment, staff, graduates/dropouts, suspension/expulsion, etc.)
- School Finance Reports – Budget documents, Comparative Performance and Fiscal System [CPFS], School Finance Reports Warehouse. (Certified personnel, enrollment, dropouts, graduates, salary reports)

Summary of expenditures (Sumexpen.xlsx) – Tables and graphs illustrate a 3-year comparison of expenditures by function, FTE enrollment, low-income students, mill rates by fund, assessed valuation and bonded indebtedness.

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Page 12 ..... KSDE DATA CENTRAL – Kansas Education Data Reporting Services

- Kansas State Building Report Card – Aggregate performance and demographic data related to district and buildings within the State. (Postsecondary, graduation, dropout, attendance, ACT scores, etc.)
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## **One-Page Summary**

This provides a summary of charts combined on one page.

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## **Coding Expenditures in the Budget Document**

### **(Definitions for Functions, Sub-functions, Objects)**

Funds in the USD budget document have a general definition as currently used under Kansas law, which would include such funds as general, career and postsecondary education, special education, etc. Within each fund will be a breakdown by function, sub-function, object and sub-object. This document will explain what expenditures should be charged under which code.

Additional information can be found in the **Kansas Accounting Handbook** which is available on the KSDE School Finance website (located under Guidelines): <http://www.ksde.org/Default.aspx?tabid=429>

This handbook explains in detail how functions, sub-functions and objects are used to breakdown expenditures in each of the funds, and includes a section with Guidelines for Activity Funds.

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# Coding the USD Budget Document

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Funds will have the general definition as currently used under Kansas law, which would include such funds as general, vocational education, special education, etc. Within each fund will be a breakdown of five major **functions** performed by school personnel or activity. *The function describes the activity for which a service or material object is acquired.* These five major functions include instruction, support services, operation of non-instructional services, facilities acquisition and construction services, and other outlays such as debt service and fund transfers.

Functions are further broken down into sub-functions, service areas and areas of responsibility. The major sub-functions fall under the support services. The services include student support, instructional support, general administration, school administration, operations and maintenance, and other support services. Each of these levels consists of activities that have somewhat the same general operational objectives. Furthermore, categories of activities comprising each of these divisions and subdivisions are grouped according to the principle that the activities can be combined, compared, and are related. For example:

Function	2000	Support Services
Sub-function	2300	General Administration
Service area	2310	Board of Education Services
Area of responsibility services	2313	Board Treasurer

An effort has been made to group together functions in relation to the magnitude of expenditures typically found in the LEA. This grouping corresponds to the categories most frequently requested in reporting to external authorities, especially the federal government. The numbering code for functions are always in even thousands, such as 1000; 2000; 3000; etc.

Within each function or sub-function will be a breakdown of expenditures that will be **object** codes. Examples of object codes would be salaries, employee benefits, purchased professional and technical services, purchased property services, other purchased services, supplies and equipment. The object codes may have a further breakdown by different types of expenditures under each object code. For example, salaries could be further broken down into salaries for teachers and other salaries for instruction.

**Below are definitions taken from the Kansas Accounting Handbook explaining what expenditures should be charged under which code.**

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## FUNCTION DEFINITIONS

## EXPENDITURES

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### Code

#### **1000 Instruction**

Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students 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. It may also be provided through some other approved medium such as two-way interactive video, television, radio, telephone, and correspondence. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process.

Include only regular and part-time teachers, teacher aides, or assistants, homebound teachers, hospital based teachers, substitute teachers and teachers on sabbatical leave.

#### **2000 Support Services**

Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist to fulfill the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

The sub-function of this function includes: Student Support Services, Instructional Staff Support Services, General Administration, School Administration, Business, Operation and Maintenance of Plant Services, Student Transportation, Central Support, and Other Support.

#### **3000 Operation of Non-Instructional Services**

Activities concerned with providing non-instructional services to students, staff or the community. This would include such activities as food service operations, enterprise operations (such as LEA bookstores) and community services (such as recreation, public library, and historical museum).

**4000 Facilities Acquisition and Construction Service**

Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.

**5000 Other Services**

A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified under *Other Services*. These include debt service payments (principal and interest) and certain transfers of monies from one fund to another.

**SUBFUNCTION DEFINITIONS**

**EXPENDITURES**

Definition - A sub-function is the next level of accounting breakdown under the functions. An illustration of this in the Support Services function would be:

Code

**2000 Support Services**

- 2100 Student Support Services
- 2200 Instructional Staff Support Services
- 2300 General Administration
- 2400 School Administration
- 2500 Central Services
- 2600 Operation and Maintenance of Plant Services
- 2700 Student Transportation Services
- 2900 Other Support Services

The numbering code for the main sub-functions always has been hundreds in the last 3 digits such as 2100, 2200, etc.; 3100, 3200, etc. Further breakdown below the main sub-functions will continue such as:

2110

2111

2112

There are no sub-functions in the Instruction function category.

**OBJECT DEFINITIONS**

**EXPENDITURES**

The final breakdown of expenditures is called object codes. The object codes include such expenditures as salaries, employee benefits, purchased services, supplies and equipment. A detailed breakdown of object codes is provided for those schools that would like a further breakdown. Listed below are the nine major object codes and their definitions:

Code

- 100 Personal Services - Salaries** - amounts paid to all employees of the district. This includes gross salary for personal services rendered while in the payroll of the district.
- 200 Employee Benefits** - Amounts paid by the district in behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe payments and, while not paid directly to employees, nevertheless are part of the cost of personal services. *Used with all functions except 5000.*
- 300 Purchased Professional and Technical Services** - services which by their nature can be performed only by persons or firms with specialized skills and knowledge. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc.
- 400 Purchased Property Services** - services purchased to operate, repair, maintain, and rent property owned or used by the district. *These services are performed by persons other than district employees.*
- 500 Other Purchased Services** - amounts paid for services rendered by organizations or personnel not on the payroll of the district (separate from Professional and Technical Services or Property Services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.
- 600 Supplies and Materials** - amounts paid for items that are consumed, worn out, or deteriorated through use.
- 700 Property** - expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.
- 800 Other Objects** - amounts paid for goods and services not otherwise classified above.

**900 Other Uses of Funds (Appropriated Funds Only)** - this series of codes is used to classify transactions which are not properly recorded as expenditures to the LEA but require budgetary or accounting control. These include redemption of principal and interest on long-term debt and fund transfers. *Used with governmental funds only.*

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## Fund Classification Descriptions

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### Description

- **General Fund, Supplemental General Fund (i.e. Local Option Budget/LOB)**  
Accounts for all financial resources of the LEA except those required to be accounted for in another fund.
- **Special Revenue Funds (Adult Education, Special Liability Expense, Adult Supplemental Education, Bilingual Education, Virtual Education, Driver Training, Professional Development, Parent Education Program, Summer School, Special Education, Career and Postsecondary Education, Textbook & Student Materials Revolving Fund, Capital Outlay Fund, Extraordinary School Program, Food Service, Extraordinary Growth Facility, Coop Special Education, Federal Funds, At Risk 4yr Old, At Risk K-12, Cost of Living, Declining Enrollment, and KPERS.)**  
Account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. Some examples of special revenue funds might include:
  - Restricted State or Federal grants-in-aid
  - Restricted tax levies

A separate fund may be used for each restricted source, or one fund may be used supplemented by the dimension Project/Reporting code.
- **Capital Project Funds**  
Account for bond proceeds used to acquire or construct major capital facilities.
- **Debt Service Funds (Bond & Interest, Special Assessment, No-Fund Warrants and Temporary Notes)**  
Account for the accumulation of resources for, and the payment of general debt, principal and interest.
- **Internal Service Funds**  
Internal Service Funds are used to account for the financing on a cost-reimbursement basis of goods or services provided by one department or agency to other departments or outside agencies. This type of fund is used to ensure that all costs are accounted for and recovered through user fees. However, use of an internal service fund is not required. It is acceptable to use a special revenue fund for this purpose.
- **Trust and Agency Funds (Recreation Commission, Recreation Commission Employees Benefit, Library Board, Library Board Employees Benefit, Historical Museum, School Retirement, Special Reserve Fund, Contingency Reserve Fund, Gifts and Grants.)**
- **General Fixed Asset Accounts**  
All of a governmental unit's fixed assets which are not recorded in an enterprise, internal service, or trust fund, should be recorded in the General Fixed Assets Account Group. This account group is not a fund and does not, therefore, report operations like the general fund or a special revenue fund. It is essentially a list of the district's fixed assets and is designed to help ensure accountability.
- **General Long-Term Debt Account Group**  
All of a governmental unit's long-term debt that is not recorded in an enterprise, internal service, or trust fund, should be recorded in the General Long-Term Debt Account Group. This account group is not a fund and does not, therefore report operations like the general fund or a special revenue fund. It is essentially a list of the district's unmatured debt such as general obligation bonds, temporary notes, and no-fund warrants. It would also include liabilities for certain compensated absences (vacation and sick leave) and other claims and judgments against the district.
- **NOTE: Student Activity Funds**  
Accounts for moneys related to fees and user charges, gate receipts, school project accounts, student organization accounts, and special revolving accounts. Go online to download the **Accounting Handbook**: <http://www.ksde.org/Default.aspx?tabid=429>. In the Table of Contents, find the section called **Guidelines for School Activity Funds** that provides specific recommendations to manage these accounts.