OFFICIAL BUDGET

2015/2016

EFFECTIVE: SEPTEMBER 1, 2015 TO AUGUST 31, 2016

AUGUST 20, 2015

PRESENTED BY: LUCAS JANDA, CHIEF FINANCIAL OFFICER

PREPARED BY: LUCAS JANDA, CHIEF FINANCIAL OFFICER
GINA MITSCHKE, ASSISTANT DIRECTOR OF BUDGET
BECKY GARCIA, BUDGET ANALYST

LEANDER INDEPENDENT SCHOOL DISTRICT ● BUSINESS SERVICES

204 W. South Street, P.O. Box 218, Leander, Texas 78646-0218 ● Williamson County
www.leanderisd.org
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INTRODUCTORY SECTION
LEANDER ISD

INTRODUCTORY INFORMATION
## Principal Officials

### BOARD OF TRUSTEES

<table>
<thead>
<tr>
<th>Trustee Name</th>
<th>Length of Service</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Will Streit, President</td>
<td>7 Years</td>
<td>2017</td>
</tr>
<tr>
<td>Mrs. Pamela Waggoner, Vice President</td>
<td>11 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mrs. Grace S. Barber-Jordan, M.Ed., Secretary</td>
<td>14 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mr. Don Hisle</td>
<td>17 Years</td>
<td>2018</td>
</tr>
<tr>
<td>Mr. Russell Bundy</td>
<td>8 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mr. Aaron Johnson</td>
<td>4 Years</td>
<td>2017</td>
</tr>
<tr>
<td>Mrs. Trish Bode</td>
<td>0 Years</td>
<td>2018</td>
</tr>
</tbody>
</table>

### ADMINISTRATIVE OFFICIALS

<table>
<thead>
<tr>
<th>Name of Official</th>
<th>Position</th>
<th>Years at LISD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Bret A. Champion, Ed.D.</td>
<td>Superintendent</td>
<td>22</td>
</tr>
<tr>
<td>Mrs. Monta Akin</td>
<td>Assistant Superintendent</td>
<td>39</td>
</tr>
<tr>
<td>Dr. Malinda Golden, Ed.D.</td>
<td>Assistant Superintendent</td>
<td>6</td>
</tr>
<tr>
<td>Mrs. Veronica Sopher</td>
<td>Assistant Superintendent</td>
<td>6</td>
</tr>
<tr>
<td>Mrs. Karielynn McSpadden</td>
<td>Assistant Superintendent</td>
<td>9</td>
</tr>
<tr>
<td>Mr. Lucas Janda</td>
<td>Chief Financial Officer</td>
<td>0</td>
</tr>
</tbody>
</table>

### OFFICIALS ISSUING REPORT

<table>
<thead>
<tr>
<th>Name of Official</th>
<th>Position</th>
<th>Years at LISD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Lucas Janda</td>
<td>Chief Financial Officer</td>
<td>0</td>
</tr>
<tr>
<td>Mrs. Gina Mitschke</td>
<td>Assistant Director of Budget</td>
<td>9</td>
</tr>
<tr>
<td>Mrs. Becky Garcia</td>
<td>Sr. Accountant/Budget Analyst</td>
<td>13</td>
</tr>
</tbody>
</table>
Consultants and Advisors

AUDITORS
Maxwell Locke & Ritter LLP
401 Congress Avenue, Suite 1100
Austin, Tx. 78701

BOND COUNSEL
Andrews Kurth
111 Congress Avenue, Suite 1700
Austin, Tx. 78701

DEPOSITORY BANK
JP Morgan Chase
221 West Sixth Street, Floor 2
Austin, Tx. 78701-3400

FINANCIAL ADVISOR
Public Financial Management, Inc.
221 West 6th Street, Suite 1900
Austin, Tx. 78701

GENERAL COUNSEL
Walsh, Gallegos, Trevino, Russo & Kyle, P.C.
505 E. Huntland Dr., Suite 600
Austin, Texas 78752
Executive Summary

Mission Statement
Students will exit our system with the same passion for learning they had when they entered, without economics determining success. Every option open.

Vision Statement
Every student is encouraged, supported, and challenged to achieve the highest levels of knowledge, skills, and character.

Budget Document Purpose and Basis for Presentation
This document, as a whole, and the year-end Comprehensive Annual Financial Report are the primary vehicles used to present the financial plan and the results of operations of the District.

This budget is intended to serve as a policy document, as an operations guide, as a financial plan, and as a communications device.

The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the District in order to facilitate financial decisions that support the education of our students.

Budget Document Sections
The District’s budget is organized into four major sections: Introductory, Organizational, Financial, and Informational. All sections include sub-sections that assist the reader in understanding all areas that drive the annual budget of Leander Independent School District.

The Introductory Section provides a complete overview of the entire budget document. The Introductory Section is the budget in narrative form (charts, tables, and graphs are used to assist the reader in this section as well as all other sections and sub-sections). This section includes the following sub-section: introductory information.
Budget Document Sections (continued)

The Organizational Section describes LISD – who we are, where we are located, how our organization is structured, how our financial system functions and the budgets thereto, and the significant areas that impact the finances of the District. This section informs the reader on the District’s budget policies and development process, long range goals, and the budget calendars used to adequately prepare and review the budget document. This section of the budget document includes the following sub-sections: district information, enrollment information, academic information, accounting information, and significant budget and financial information.

The Financial Section is typically what we consider to be “the budget.” This section is organized in a hierarchal order starting with the general fund. Charts, tables and graphs explain significant budget data. Included in this section are schedules for the General Fund, School Nutrition Fund and Debt Service Fund. Schedules are also provided that focus on key financial trends and the direct impact on the District’s fund balance. This section includes the following sub-sections: budget information, general fund information, food service information, debt service information, construction fund information, and financial accountability information.

The Informational Section is the final section of the budget document. This section is full of explanatory information such as account code explanations, terms often used in school finance, and other district-related information. This final section includes the following sub-sections: performance measures section, personnel information, tax information, and additional information.

Budget Process

Starting back in December, the LISD Board of Trustees and administration began the process of ensuring that all financial resources are allocated effectively and are focused on the education of our students.

Statistics, trends, and other data has been utilized to make accurate financial decisions for the District.

Ultimately, a public hearing on the budget will be held at the August 27, 2015 board meeting and the Superintendent will make a formal recommendation related to the budget for 2015/2016.

In addition, the District concurrently posted a summary of the proposed budgets on the LISD website as required by Section 44.0041 of the TEC.+

A public hearing on the proposed tax rate will be held after the certified values are provided by Travis CAD (the hearing must fall in a window of time defined by the state).

No significant changes have been made to the budget process or policies related thereto.
**Major Goals and Objectives of Budget Process**

The following is a list of major goals and objectives that have been prepared to drive the budget process:

- Provide programs and opportunities for all students to exceed their educational goals;
- Provide resources necessary to reach the goals established in all campus improvement plans, as well as the District improvement plan;
- Provide a compensation package that recruits, attracts, and retains highly qualified staff;
- Prepare a budget that meets and exceeds the highest expectations for transparency; and
- Continue to monitor the levels of fund balance.

**Budget Information**

The annually adopted budget includes the general, food service, and debt service funds (which also serve as the highest area of public interest). The annual budget serves as the foundation for the District’s financial planning and control. LISD maintains budgetary controls throughout all of its financial systems in order to ensure compliance with legal provisions embodied in the appropriations approved by the Board.

Total expenditures for these funds are $390,226,629. The total *proposed* tax rate for 2015/16 is $1.54 per $100 of valuation – which includes nearly a 6-cent over-levy for I&S debt reduction.

**Tax Rate**

<table>
<thead>
<tr>
<th>Tax Rate</th>
<th>M&amp;O</th>
<th>I&amp;S</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A summary of the budget is as follow:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Food Service Fund</th>
<th>Debt Service Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$280,736,660</td>
<td>$13,276,595</td>
<td>$82,986,282</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$294,099,894</td>
<td>$13,140,453</td>
<td>$82,986,282</td>
</tr>
<tr>
<td>Net Surplus (Deficit)</td>
<td>$(13,363,234)</td>
<td>$136,142</td>
<td>$0</td>
</tr>
</tbody>
</table>

Fiscal year budget comparisons for all funds is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Estimated 2014/2015 Final Budget</th>
<th>Proposed 2015/2016 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund (Fund 199)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$273,957,211</td>
<td>$294,099,894</td>
</tr>
<tr>
<td><strong>Food Service Fund (Fund 240)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOOD SERVICE TOTAL</td>
<td>$13,087,156</td>
<td>$13,140,453</td>
</tr>
<tr>
<td><strong>Debt Service Fund (Fund 599)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEBT SERVICE TOTAL</td>
<td>$76,110,261</td>
<td>$82,986,282</td>
</tr>
<tr>
<td><strong>ALL FUNDS (199, 240, 599)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total for All Funds</td>
<td>$363,154,628</td>
<td>$390,226,629</td>
</tr>
</tbody>
</table>

The construction fund has been included in this budget document for informational purposes only – not for formal approval.
**Legislative Information**

At the end of the 2015 regular legislative session House Bill 1 was approved by both houses and includes $1.2 billion of new funding for public education – this is in addition to the amount being provided for enrollment growth. Leander ISD does not benefit financially from HB 1 and remains $14 million short of 2011 funding levels.

While the new monies for Public Education are great, the amount nor the system appear to have changed significantly enough to reverse Judge Dietz’s ruling in 2013.

As a matter of background information, on February 4, 2013 Judge Dietz ruled in favor of school districts by declaring the following:

- School finance system violates the “efficiency” provisions of Article VII, § 1 of the Texas Constitution in that it fails to provide substantially equal access to revenues necessary to provide a general diffusion of knowledge;
- School finance system is not adequately funded and therefore fails to make suitable provision for the support and maintenance of the system in violation of Article VII, § 1 of the Texas Constitution; and
- School finance system has created a state property tax in violation of Article VIII, § 1-e of the Texas Constitution.

Please understand that even if the Texas Supreme Court upholds Judge Dietz’s rulings, it is conceivable Leander ISD will receive NO additional funding and still fall short of 2011 funding levels.

For the 2015-2016 budget, there are no significant financial or demographic changes.

**General Fund Information**

As we finish up the 2014/15 fiscal year, it appears we will add a few million to fund balance which will help build our reserves.

Leander ISD is considered, once again, a “property rich” school district for the 2015/2016 school year. Please note that while our taxable values per student may classify our district as property wealthy, our funding provided by the State classifies us as average. Several districts close in funding per student were provided new revenues for the upcoming biennium, thus LISD may now fall below average in funding per student.
General Fund Information (continued)

The District’s enrollment has steadily increased over the last few school years while taxable values have remained relatively constant in the same period of time. The charts below identify these trends accordingly.

The general fund budget was prepared based on trends and drivers such as enrollment growth (anticipated ADA is 35,249), providing high quality education programs to all students, and a minimal change in the economic disadvantaged student population.

Local property taxes continue to be a significant revenue source for the District. The first graph below shows that over 66 cents of every dollar collected at the District is from the local property taxpayers. The second graph depicts the tax rates for years 2005-2006 through 2014-2015.

The general fund budget includes the following financial highlights:

- Total Revenues: $280,736,660
- Total Expenditures: $294,099,894
- Budget Deficit: $(13,363,234)
- Starting Teacher Salary: $43,700
- M&O Tax Rate: $1.04
**Food Service Fund Information**

The food service budget will be prepared based on enrollment growth, similar breakfast and lunch schedules (as compared to the 2014/15 school year), a similar percentage of free and reduced lunch students, and inflationary increase in food costs.

The trend for revenues by major category for the last five years is as follow (audited numbers):

![Graph showing revenues by major category from 2009-2010 to 2013-2014.](image)

The program has operated efficiently over the years, and the administration is very proud of the food service team.

The food service program is working toward funding the following initiatives:

- Full unrestricted indirect cost permitted by law
- Replacement of capital expenditure items

The budget includes the following financial highlights:

- Total Revenues $13,276,595
- Total Expenditures $13,140,453
- Budget Surplus $136,142
Debt Service Fund Summary

The debt service fund (often referred to as the ‘Interest and Sinking Fund’ or the ‘I&S fund’) is primarily funded by local property tax collections. While the District is not eligible for state assistance programs (EDA and IFA), the district will receive hold harmless funds enacted by the Texas Legislature, if the citizens authorize an increase in the homestead exemption. Unfortunately, the Legislature is not providing full hold harmless funds, so taxpayers will not fully benefit from intended tax relief.

The taxable values are up approximately 7.34% for 2015/2016 – the final certified values for both counties was not received prior to the issuance of this document. Ultimately, a public hearing on this topic will be held once certified values are received.

The total amount of principal outstanding on voter-authorized bonds as of August 20, 2015 is $1,072,980,374.

The upcoming and past details of semi-annual bond payments are as follow (subject to change if any bonds are refunded for savings or there is an application of over-levy):

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>CAB Interest</th>
<th>Total Debt Service</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/15/15</td>
<td>$ -</td>
<td>$ 7,478,771.19</td>
<td>$ -</td>
<td>$ 7,478,771.19</td>
<td>$ -</td>
</tr>
<tr>
<td>08/15/15</td>
<td>38,139,912.70</td>
<td>9,335,890.32</td>
<td>11,616,470.25</td>
<td>59,082,273.27</td>
<td>66,571,044.45</td>
</tr>
<tr>
<td>02/15/16</td>
<td>-</td>
<td>13,049,337.50</td>
<td>-</td>
<td>13,049,337.50</td>
<td>-</td>
</tr>
<tr>
<td>08/15/16</td>
<td>34,657,192.35</td>
<td>15,631,084.70</td>
<td>13,927,454.20</td>
<td>64,215,731.25</td>
<td>77,265,068.75</td>
</tr>
<tr>
<td>02/15/17</td>
<td>-</td>
<td>12,673,200.00</td>
<td>-</td>
<td>12,673,200.00</td>
<td>-</td>
</tr>
<tr>
<td>08/15/17</td>
<td>35,606,570.20</td>
<td>17,470,171.90</td>
<td>11,107,851.65</td>
<td>64,184,593.75</td>
<td>76,857,793.75</td>
</tr>
</tbody>
</table>

In addition to the principal and interest owed on bonded debt, the District budgets about $6 thousand for bond fees.

While interest rates are not as low as they have been in recent months, there is a chance that callable maturities in August 2016-2021 could result in a refunding for savings during the earlier part of 2016. District administration will work closely with our financial advisor, and if savings exist, we will bring this before the Board for consideration.

At this time, there are no planned new bond sales during the 2015/2016 fiscal year.

The budget currently includes the following financial highlights:

- Total Revenues $ 82,986,282
- Total Expenditures $ 82,986,282
- Budget Surplus (Deficit) $ - 0 -
- Proposed I&S Tax Rate $ 0.50
Future Budget Years

The District’s budgeting process is more than just funding the next fiscal year’s operations. There are several factors that have to be considered when forecasting the financial impact of a particular fund and those include, but are not limited to, the following:

- Student enrollment growth and attendance rates
- Special population changes
- New unfunded mandates
- Changes in assessed valuations and collection rates
- Staff counts and salary schedule considerations
- Electricity rate changes
- Grant funding reductions

Considering that House Bill 1 from the 84th Legislative Session appropriates funds through August 31, 2017, we are unable to forecast out beyond this point without making several assumptions. Furthermore, future pay scales, staff counts, student counts, etc. are hard to predict as the Texas Legislature has a profound impact on these key budget drivers.

<table>
<thead>
<tr>
<th>% Growth in Projected Enrollment</th>
<th>2.85%</th>
<th>2.18%</th>
<th>2.08%</th>
<th>2.25%</th>
<th>2.36%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>Revised</td>
<td>Projected</td>
<td>Estimated</td>
<td>Estimated</td>
<td>Estimated</td>
</tr>
<tr>
<td>Projected Enrollment</td>
<td>35,934</td>
<td>36,718</td>
<td>37,483</td>
<td>38,326</td>
<td>39,232</td>
</tr>
</tbody>
</table>

**ESTIMATED REVENUE**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Aid</td>
<td>$82,615,712</td>
<td>$79,246,173</td>
<td>$65,635,887</td>
<td>$68,149,150</td>
<td>$66,215,251</td>
</tr>
<tr>
<td>Additional State Aid due to Tax Reduction (ASATR)</td>
<td>$-</td>
<td>$-</td>
<td>$1,605,780</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>New Instructional Facility Allotment (NIFA)</td>
<td>$-</td>
<td>$132,000</td>
<td>$250,000</td>
<td>$125,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>TRS Tax Supplement for 14/15 Only</td>
<td>$2,326,627</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Estimated TRS on-behalf</td>
<td>$11,400,000</td>
<td>$12,400,000</td>
<td>$13,400,000</td>
<td>$14,400,000</td>
<td>$15,400,000</td>
</tr>
<tr>
<td>Local Revenue (property value based on 10.21%, 4.9%, 4.9%, 4.0% growth for 15-16 through 18-19 BASED ON 99.25% current and delinquent) (excludes funds to be committed to major maintenance levy)</td>
<td>$167,751,834</td>
<td>$178,590,088</td>
<td>$191,861,152</td>
<td>$199,444,167</td>
<td>$207,421,935</td>
</tr>
<tr>
<td>M&amp;O Collections Committed to Major Maintenance Fund (2, 2, 2, 3,3)</td>
<td>$2,969,172</td>
<td>$3,217,284</td>
<td>$3,466,498</td>
<td>$5,454,537</td>
<td>$5,672,718</td>
</tr>
<tr>
<td>Local Revenue (other - gate receipts, rental of facilities, penalty and interest, etc.)</td>
<td>$4,584,815</td>
<td>$4,301,359</td>
<td>$4,301,359</td>
<td>$4,301,359</td>
<td>$4,301,359</td>
</tr>
<tr>
<td>mLISD revenue</td>
<td>$-</td>
<td>$104,756</td>
<td>$104,756</td>
<td>$104,756</td>
<td>$104,756</td>
</tr>
<tr>
<td>Annual District Reimbursement Payment (Freeport Exemption)</td>
<td>$40,741</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Other Resources</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Federal Revenue</td>
<td>$2,730,000</td>
<td>$2,730,000</td>
<td>$4,115,000</td>
<td>$3,115,000</td>
<td>$2,115,000</td>
</tr>
<tr>
<td>ESTIMATE OF MAXIMUM SB1 OPERATING BUDGET - Based on the maximum funding per WADA (weighted average daily attendance) at $1.04 M&amp;O tax rate, including local revenue estimate</td>
<td>$274,433,901</td>
<td>$280,736,660</td>
<td>$284,755,432</td>
<td>$295,108,969</td>
<td>$301,371,019</td>
</tr>
</tbody>
</table>
### Future Budget Years (continued)

<table>
<thead>
<tr>
<th>Work-in-Progress &quot;WIP&quot; Budget Expenditures</th>
<th>Revised 14/15 Projected Budget</th>
<th>Estimated 15/16 Budget</th>
<th>Estimated 16/17 Budget</th>
<th>Estimated 17/18 Budget</th>
<th>Estimated 18/19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Budget as of EOY Prior (Assumes reductions from prior year are realized; 15/16 &amp; beyond includes TRS 1.5% supplemental tax)</td>
<td>$203,447,004</td>
<td>$232,895,610</td>
<td>$248,508,363</td>
<td>$260,137,362</td>
<td>$267,490,364</td>
</tr>
<tr>
<td>Estimated Breakage/Overage</td>
<td>$2,500,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for additional wage accrual (estimated)</td>
<td>$543,631</td>
<td>$198,123</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustment for Insurance Opt-Out Transfer (estimated)</td>
<td>$4,100,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Balance of New School Start-up Salaries (EL #24, EL #25, HS #6)</td>
<td>$415,306</td>
<td>$469,762</td>
<td>$1,327,768</td>
<td>$663,644</td>
<td>$125,605</td>
</tr>
<tr>
<td>Start-up Salaries for New Schools Opening (EI #25, HS #6, EL #26)</td>
<td>$181,639</td>
<td>$701,212</td>
<td>$215,978</td>
<td>$20,864</td>
<td>-</td>
</tr>
<tr>
<td>New Stipends for New Schools</td>
<td>-</td>
<td>-</td>
<td>$419,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjustments to Budget</td>
<td>-</td>
<td>$(419,424)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14/15 OP scale review/salary adjustments; 15/16 OP scale review/salary adjustments: Teacher/Counselor/Librarian scale review</td>
<td>$627,089</td>
<td>$1,332,757</td>
<td>$2,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Est Cost of Teacher Raises (incl. benefits) (2.0% for 15-16 and 1.5% for 16-17 for 17-18)</td>
<td>$1,896,499</td>
<td>$2,541,740</td>
<td>$2,579,868</td>
<td>$2,618,564</td>
<td>$2,657,842</td>
</tr>
<tr>
<td>Est Cost of Non-Teacher Raises (incl. benefits) (2.0% for 15-16 and 1.5% for 16-17 and 17-18)</td>
<td>$962,802</td>
<td>$1,346,859</td>
<td>$1,367,062</td>
<td>$2,618,564</td>
<td>$2,657,842</td>
</tr>
<tr>
<td>Cost of Positions - All for 14/15 and 15/16, New Formula and Non-Formula Positions forward (no departments 16/17, 17/18, 18/19)</td>
<td>$6,015,363</td>
<td>$7,587,144</td>
<td>$5,386,196</td>
<td>$4,731,336</td>
<td>$4,297,598</td>
</tr>
<tr>
<td>Cost of Non-teacher Campus Formula Positions for 16/17, 17/18, 18/19 (no departments 16/17, 17/18, 18/19)</td>
<td>-</td>
<td>-</td>
<td>$87,718</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost of ERP systems administrator position (funded via ERP commitment)</td>
<td>$15,000</td>
<td>$84,272</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1.5% TRS Payroll Tax for 14/15 (included in salary cost thereafter)</td>
<td>$2,351,296</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Estimate of TRS on-behalf (full amount in 14-15; anticipated difference thereafter)</td>
<td>$11,400,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Additional Days/Stipends on New/Existing Positions</td>
<td>$41,027</td>
<td>$4,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proposed Cost of Increased Insurance Fee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proposed Change to Discretionary 6100's</td>
<td>$108,424</td>
<td>$566,308</td>
<td>$45,500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Positions Reduced or Eliminated</td>
<td>$(1,709,470)</td>
<td>-</td>
<td>$(3,000,000)</td>
<td>$(4,500,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>SubTotal ‘WIP’ Personnel Budget</strong></td>
<td>$232,895,610</td>
<td>$248,508,363</td>
<td>$260,137,362</td>
<td>$267,490,364</td>
<td>$278,429,251</td>
</tr>
<tr>
<td>Campus Allocations by formula (library, campus) (3% inflation)</td>
<td>$7,675,158</td>
<td>$7,245,278</td>
<td>$7,848,505</td>
<td>$8,233,960</td>
<td>$8,480,979</td>
</tr>
<tr>
<td>Department Operating Requests (utilities, insurance, etc.) (3% inflation)</td>
<td>$24,650,914</td>
<td>$25,372,837</td>
<td>$26,134,022</td>
<td>$27,443,343</td>
<td>$28,390,243</td>
</tr>
<tr>
<td>New Building Utility Costs (EL 25/HS 6 in 15-16, EL 26/HS 6 in 16-17, EL 26 in 17-18)</td>
<td>-</td>
<td>$215,000</td>
<td>$510,000</td>
<td>$120,000</td>
<td>-</td>
</tr>
<tr>
<td>SB 507 mandates (video cameras in self-contained classrooms)</td>
<td>-</td>
<td>-</td>
<td>$625,000</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Improvement Fund</td>
<td>$50,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>New Campus Start-up Supplies (Reed Elementary, EL #25 HS #6, EL #26)</td>
<td>$5,000</td>
<td>$25,000</td>
<td>$5,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>SubTotal ‘WIP’ Operating Budgets</strong></td>
<td>$32,381,072</td>
<td>$32,958,115</td>
<td>$35,222,527</td>
<td>$35,900,303</td>
<td>$36,974,222</td>
</tr>
<tr>
<td>Campus Outlay</td>
<td>$2,358,392</td>
<td>$1,553,112</td>
<td>$1,674,725</td>
<td>$1,900,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Portables required for growth</td>
<td>$335,760</td>
<td>$335,760</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td><strong>SubTotal “Proposed” Capital Outlay Requests</strong></td>
<td>$2,694,152</td>
<td>$1,888,872</td>
<td>$1,823,270</td>
<td>$377,805</td>
<td>$385,931</td>
</tr>
<tr>
<td>ERP (cost estimates)</td>
<td>$1,052,325</td>
<td>$1,202,623</td>
<td>$1,823,270</td>
<td>$377,805</td>
<td>$385,931</td>
</tr>
<tr>
<td><strong>SubTotal of “One-Time” Costs</strong></td>
<td>$1,052,325</td>
<td>$1,202,623</td>
<td>$1,823,270</td>
<td>$377,805</td>
<td>$385,931</td>
</tr>
<tr>
<td>Re-appropriation of previously authorized Major Maintenance</td>
<td>$2,079,501</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Major Maintenance Plan</td>
<td>$2,854,551</td>
<td>$9,541,721</td>
<td>$8,931,389</td>
<td>$7,072,298</td>
<td>$5,686,187</td>
</tr>
<tr>
<td><strong>SubTotal “Proposed” Major Maintenance Requests</strong></td>
<td>$4,934,052</td>
<td>$9,541,721</td>
<td>$8,931,389</td>
<td>$7,072,298</td>
<td>$5,686,187</td>
</tr>
<tr>
<td><strong>GENERAL FUND BUDGET</strong></td>
<td>$273,957,211</td>
<td>$294,099,894</td>
<td>$307,939,303</td>
<td>$312,890,770</td>
<td>$323,625,591</td>
</tr>
<tr>
<td>Changes in non-spendable, committed-to, and assigned to Fund Balances</td>
<td>$(1,396,676)</td>
<td>$(9,614,485)</td>
<td>$(5,308,054)</td>
<td>-</td>
<td>$23,675</td>
</tr>
<tr>
<td>Net Change in Unassigned Fund Balance</td>
<td>$1,873,366</td>
<td>$(3,748,749)</td>
<td>$(17,875,817)</td>
<td>$(17,781,801)</td>
<td>$(22,278,247)</td>
</tr>
</tbody>
</table>
Enrollment Statistics, Trends, and Forecasts

Overall, the enrollment trends experienced by Leander ISD are consistent with that reported in our surrounding areas. The chart below depicts the Austin area trends over the last five years from 2009/10 to 2014/15.

The District revised elementary boundaries in preparation for the opening of Christine Camacho Elementary in August 2015. High School boundaries have also been revised for the opening of Tom Glenn High School in August 2016. LISD continues to be one of the fastest growing school districts in the State, as well as in the nation.

Student enrollment for 2015-2016 is projected to be 36,718 (adjusted for pre-kindergarten students as they attend half-day). Detailed enrollment information is provided in the Organizational Section, under Enrollment.
Staffing Summary

At this time, the Board has released 154.5 positions (143 are campus based and 11.5 are non-campus based) to address student growth, maintain class sizes, and meet the needs of the campuses and departments. Please note that final staffing counts will not be determined until early September (after school starts and actual enrollment is realized). Again, the additional staff are budgeted and these positions are to ensure Leander ISD maintains the current student-to-teacher ratios, maintaining an exceptional school system leading students to a brighter future.

The teacher pay scale includes a 2% pay raise. All other positions will receive the same raise.

The LISD Teacher Pay Scale is very competitive versus the surrounding districts and the following is a summary of the highlights of the scale:

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Teacher</td>
<td>$43,700</td>
</tr>
<tr>
<td>5 Years Experience</td>
<td>$45,930</td>
</tr>
<tr>
<td>10 Years Experience</td>
<td>$48,205</td>
</tr>
<tr>
<td>15 Years Experience</td>
<td>$50,477</td>
</tr>
<tr>
<td>20 Years Experience</td>
<td>$53,080</td>
</tr>
<tr>
<td>Maximum Salary for New Hires</td>
<td>$62,434</td>
</tr>
</tbody>
</table>

Leander ISD continues to exceed the State average on percentage of teachers employed. The latest Texas Academic Performance Report states that the District employs 54.2% of our staff as teachers – the State average is 51.0%. When coupled with professional support (counselors, special education professionals, etc.), this gap widens as LISD employs 67.2% in these categories, and the State average is 60.3%.

Allocation of Human and Financial Resources

The budget for Leander ISD is people intensive. Approximately 86% of the budget is comprised of salaries and benefits, so it is imperative to the continued financial health of the District to monitor staff levels during the staff allocation process.

Student to teacher ratios are reviewed systematically during the year, and all support services are analyzed regularly to ensure ratios are acceptable to State averages.

Financial resources are distributed to each campus based upon enrollment and special population and program needs. Student needs, such as instructional supplies, come from these budget allocations.

Other costs, such as fuel and utilities, are based upon historical trends, special requests, and relative information.
Significant Events/Initiatives

Leander ISD is in the process of deploying technology as part of the mobile learning initiative. The goal is to provide all students the resources necessary to increase student engagement in learning.

Other Information

Other key factors which are included as part of the budget process are:

- No significant non-routine capital expenditures are included in the budget;
- Future capital expenditure purchases are planned in the budget;
- Major maintenance expenditures are included in the budget;
- Budget allows for the purchase of property, casualty, worker’s compensation, unemployment, and student insurance; and
- ADA is calculated on a 96% attendance rate.

Board of Trustees

<table>
<thead>
<tr>
<th>Trustee Name</th>
<th>Length of Service</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Will Streit, President</td>
<td>7 Years</td>
<td>2017</td>
</tr>
<tr>
<td>Mrs. Pamela Waggoner, Vice President</td>
<td>11 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mrs. Grace S. Barber-Jordan, M.Ed., Secretary</td>
<td>14 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mr. Don Hisle</td>
<td>17 Years</td>
<td>2018</td>
</tr>
<tr>
<td>Mr. Russell Bundy</td>
<td>8 Years</td>
<td>2016</td>
</tr>
<tr>
<td>Mr. Aaron Johnson</td>
<td>4 Years</td>
<td>2017</td>
</tr>
<tr>
<td>Mrs. Trish Bode</td>
<td>0 Years</td>
<td>2018</td>
</tr>
</tbody>
</table>

Administrative Officials

<table>
<thead>
<tr>
<th>Name of Official</th>
<th>Position</th>
<th>Years at LISD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Bret A. Champion, Ed.D.</td>
<td>Superintendent</td>
<td>22</td>
</tr>
<tr>
<td>Mrs. Monta Akin</td>
<td>Assistant Superintendent</td>
<td>39</td>
</tr>
<tr>
<td>Dr. Malinda Golden, Ed.D.</td>
<td>Assistant Superintendent</td>
<td>6</td>
</tr>
<tr>
<td>Mrs. Veronica Sopher</td>
<td>Assistant Superintendent</td>
<td>6</td>
</tr>
<tr>
<td>Mrs. Karielynn McSpadden</td>
<td>Assistant Superintendent</td>
<td>9</td>
</tr>
<tr>
<td>Mr. Lucas Janda</td>
<td>Chief Financial Officer</td>
<td>0</td>
</tr>
</tbody>
</table>
ORGANIZATIONAL SECTION
LEANDER ISD

DISTRICT INFORMATION
History of the City of Leander

The City of Leander, originally called Bagdad, was established on July 17, 1882. The first settlers arrived in the area around 1845, receiving bounty land grants in exchange for service in the Texas Revolution. These settlers lived in log cabins and were frequently subjected to being attacked by Indians that also called this area of central Texas their home. If it had not been for the many Indian attacks, the area of Bagdad would probably have been settled earlier. Because of the frequent attacks, the Texas Rangers were called in to protect the settlers and they constructed a building that would house up to sixty men. This was one of the first buildings in what is now Williamson County.

During the 1850's, the town of Bagdad was surveyed and many businesses began opening. One of the first stores was a blacksmith shop. The first post office was opened in 1858. Although the location was isolated, the abundance of water and timber attracted many settlers. Farming became the mainstay of the area, with the settlers growing much of their own food and making most of their own clothing.

During the Civil War many men left to join the Southern forces. At the end of the war most of the men returned to the local community, as well as many of the freed slaves. Bagdad was a stop on the stage line from Austin to Lampasas; the settlers were now able to have goods delivered to them from Austin. By the 1870’s, Bagdad had a hotel, school, several general stores, two blacksmith shops, and several churches. In 1871, the first school was started in Bagdad by the Masonic Lodge; it was the only free school in the area.

By the 1880’s many changes were on the way. The railroad industry expanded to Texas with plans to build tracks through Bagdad’s downtown area. The citizens opposed the railroad and the Austin & Northwestern Railroad officials decided instead to build the tracks one mile east of town. Soon after the railroad was completed the townspeople realized they had made a mistake and it could be of great benefit to their businesses to be located near the railroad. The original Bagdad settlers started moving their businesses and homes nearer to the railroad tracks.

The area was surveyed, lots were sold by the railroad and the new town of Leander was established in 1882. The town of Leander was named after Leander “Catfish” Brown, who was one of the men responsible for completion of the rail line. The post office was brought from Bagdad to Leander in 1882 and the first bank, Humble & Chapman, was established.
The population of Leander in the early 1890's was estimated to be around 329 people. In 1893, the first public schools were opened both in Leander and Bagdad. On June 7, 1899, the Leander High School Association incorporated under Texas law. The school was formed without profit for a period of fifty years.

The population of Leander in the 1900's had dropped to 283. Farming was still the main activity and life had become centered on the schools and churches. School only went to the 10th grade and if you wanted to go any higher, you had to go to Liberty Hill or Georgetown. In 1919 A. K. Davis went to Mexico to bring workers to the Leander area. He brought back many families, some of which became American citizens and also Williamson County’s earliest Hispanic settlers.

When the depression hit, the population dropped to 200. Many young men left to join the war effort during World War II. The local citizens had to adjust to such things as sugar rationing. They also organized watch groups to report any sightings of enemy aircraft to authorities. During the 1950’s the population had risen back up to around 300 people. There were three stores that provided the community with groceries and goods, MacFarland Grocery, The Red and White Store, and Hub Powell’s. Housing subdivisions began to develop in the area in the late 1950's and early 1960's. A new high school was built in 1969, but at this time the population was still around 300 people. Many citizens worked in the Austin area with Highway 183 being a major thoroughfare to assist in their commute into the Austin area.

On January 21, 1978 the City of Leander was incorporated and Joe Bates was its first mayor. The City was beginning to grow more rapidly. Subdivisions were being developed west of the city where the water and sewer system was available. As the city continued to grow into the 1980's additional schools were being built in the Cedar Park area. The Leander school district was experiencing tremendous growth. A new city hall was established along with some new additions in the old downtown area. With all of this growth, Leander still continued to be mostly a rural community.

With more homes being built in the west part of Leander, the population by the 1990's was 3,398. The school district was growing rapidly and built its second High School in Cedar Park. Many businesses, such as service shops and fast food establishments, began to locate to the Leander area. The Crystal Falls Municipal Golf Course was built and has proven to be one of the most beautiful and challenging golf courses in the area.

Leander, presently, has a population estimated at over 30,000.

Many changes have occurred since the little town of Bagdad opposed the building of the railroad and the unwanted disruption of their peaceful lives. The City of Leander continues to grow and prosper and we invite everyone to come and experience our extraordinary hill-country city.
History of the City of Cedar Park

Before the arrival of European settlers in the 19th century, the Cedar Park area was inhabited by various Native American tribes, including the Tonkawa, the Lipan Apache, and the Comanche. A Paleo-American archaeological site (named the Wilson-Leonard site) was discovered in Cedar Park in 1983 that showed evidence of continual habitation of the area since circa 5000 BC.

In the mid-19th century the community was known as Running Brushy, named after a spring that formed the headwaters of a creek of the same name. In 1873 George and Harriet Cluck, after having run cattle up the Chisholm Trail for many years, bought 329 acres (1.33 km²) of land that included the Running Brushy spring. Their ranch formed the core of the community that would one day become Cedar Park.

Ten years later, the railroad came through. The Austin & Northwest Railroad, which connected the state capitol with the cities of Burnet and Lampasas to the north, was finished in 1882 and passed through Running Brushy and the Cluck ranch. The community was at this point renamed Bruggerhoff, after a railroad company official. In 1887, Emmett Cluck (son of George and Harriet) changed the community name to Cedar Park. In 1892, a "strolling park" of 0.5 acres was built near the train depot. Austinites would ride the train to Cedar Park for day trips to the park.

Cedar Park changed little until the 1950’s and 1960’s when housing subdivisions began to be built, spurred by the growth of nearby Austin. On February 24, 1973, the citizens of Cedar Park voted to incorporate. A library followed in 1978.

On May 27, 1997, a strong and destructive F3 tornado struck the town. The tornado was one of 20 confirmed tornadoes that occurred during the 1997 Central Texas Tornado outbreak. It devastated the downtown area of the city, killing one person and nearly destroying the Albertson's grocery store.

Major retailers began finding their way to the city in 2002 as Walmart opened. Additional large retailers now include Super Target, multiple HEB grocery stores, Academy Sports and Outdoors, and Costco. In December 2007, Cedar Park Regional Medical Center opened becoming the first major medical center in Cedar Park.

In 2013, the US Census Bureau named Cedar Park the 4th fastest growing city in the United States, with a population of 57,957.

Facts about Leander ISD

The Leander Independent School District is one of the fastest growing districts in the State of Texas. It presently has a total of five high schools, eight middle schools and twenty-five elementary schools. It encompasses the cities of Leander, Cedar Park, Jonestown, and parts of Northwest Austin. New businesses are on their way and the residential growth that has been experienced over the past few years is phenomenal. The area continues to expand its roadway network to assist the residents of Leander ISD in traveling into the Austin area.
Description of Entity

Legal Autonomy

The District derives its legal status from the Constitution of the State of Texas and from the Texas Education Code as passed and amended by the Legislature of Texas.

Leander ISD is a governmental entity providing educational services to Pre-Kindergarten through 12th Grade students.

Exceptional Academic Achievements

The Texas Education Agency released accreditation statuses for school districts for the 2014-2015 year on Friday, February 27, 2015, and Leander ISD’s status is Accredited, the highest standard. Additionally, the district and all of its campuses were awarded with the “Met Standard” rating, the highest rating possible.

In addition to the state required curriculum, Leander ISD offers Pre-Advanced Placement (Pre-AP) and Advanced Placement (AP) courses at the secondary level. Dual credit classes are also available for high school students, which encompass English language arts, communications, mathematics, natural sciences, government and history, social and behavioral sciences, humanities, visual and performing arts, languages other than English, health and physical education, business & computer courses, and technical electives. For a complete list, please see the 2015-16 High School Course Catalog.

Leander’s composite scores on the ACT college-entrance exam continue to be higher than state and national averages, and LISD’s total score on the SAT college-entrance exam increased by 14 points from the graduating class of 2013 to the class of 2014.

Leander ISD was named an Architect of Change by the E3 Alliance. LISD leaders, administrators, principals and teachers volunteer on Blueprint leader teams and collaborative groups. The district helped develop the first school readiness standards and has committed and leveraged resources to strengthen STEM opportunities by adding engineering courses at every high school. LISD demonstrated the power of Raiseup Texas in Wiley Middle School, one of only four schools in the country to be honored with a national Strategic Instruction Model Impact Award. In addition, we participated in the first GetSchooled regional attendance challenge in which Leander High School won a national first place honor.
**Technologically Advanced**

Leander ISD and the community understand the importance of technology in education today. We are currently piloting the deployment of touch-screen, convertible Windows 8 laptops directly to students at 2 middle schools and 1 high school as a part of the mobile learning initiative (mLISD). These pilots began in the spring of 2015 with 6th and 9th grade, and will expand to grades 6-11 in the fall of 2015. Based on the results of these pilots, LISD plans to roll out to grades 6 and 9 district-wide as early as spring of 2016. We anticipate full implementation in grades 6-12 by the 2017-18 school year. Through the implementation of mLISD, students will have increased opportunities to engage in gathering new knowledge and skills, building meaning, and sharing what they have learned in meaningful and innovative ways. In order to support each student, our goal is to provide students with increased access to digital content, resources and devices to support anytime/anywhere learning. mLISD has been specifically designed to make the best use of our resources in order to support student engagement in learning and the principles found in the LISD Vision, Graduate Profile, Student Learning Model, Ethical Principles and Student Learning Behaviors. With technology in the hands of students, facilitated by innovative teaching and learning, students will have the opportunity to inquire, explore, collaborate and cultivate their curiosity.

Leander ISD received top honors from the Digital Content and Curriculum Achievement Awards program for using open educational resources and teacher-created content. This new digital content format is part of the District’s mLISD Initiative.

**Extracurricular Excellence**

Leander ISD offers an abundance of extracurricular opportunities for students. All five of Leander ISD’s high schools provide opportunities for students to participate in a number of academic, agriculture, athletic, fine arts, career and technology, and health science programs.

Athletic programs in the secondary grade levels include football, basketball, volleyball, baseball, softball, soccer, golf, tennis, cross country, swimming, wrestling and track. Each high school has outstanding accomplishments, including but not limited to the following: UIL Lone Star Cup recipient, State finalist and 3rd in state for football, state swimming champions, state semi-finalist in girls and boys basketball, 3rd in state for wrestling, 2nd in state for softball, regional finalist in soccer, shot put winner, and region champion in the 1600 and 3200 meter race.

Students can also participate in art, band, choir, drama, debate, Future Farmers of America (FFA), robotics, computer science, video production, and much more. Accomplishments in these areas include, but are not limited to the following: superior ratings for all choirs sent by LISD in UIL concert and sight-reading, advancements to the all-state choir competition, participation in an international Thespian event in Scotland, participation of two middle school honor bands to perform at the Midwest International Band and Orchestra Clinic in Chicago, first division ratings in either concert or sight-reading for all 18 high school
bands, an invitation for one of our women’s choirs to perform at the Texas Music Educators Association Convention in San Antonio, winner of Sweepstakes at the 2015 Austin Energy Regional Science Fair, yearbooks at two high school campuses were named Pacemaker Finalists by the National Scholastic Press Association, and Leander ISD Destination Imagination teams returned from the recent State DI Tournament with high accolades, with eight LISD teams advancing to the global level, traveling to the University of Tennessee in Knoxville, to participate in the DI Global Tournament.

**Focused on the Future**

The Leander Independent School District Board of Trustees is dedicated to ensuring that the students and staff of the district have all of the needed tools, resources and opportunities available to them so that students in the District will receive the best education possible.
Leander ISD encompasses almost 200 square miles, containing students from the Cities of Leander, Cedar Park, Round Rock, Georgetown, Austin, Lago Vista, and Jonestown. Even with the wide breadth of Leander ISD, we pride ourselves in having a small town atmosphere. There are small festivals, plenty of parks, and tons of backyard Bar-B-Qs, with little to no effort necessary in finding something to do.

Leander ISD’s administrative offices are located approximately 30 miles from downtown Austin, and about 30 - 50 miles from rural towns, such as Burnet and Lampasas; perfectly situated between a big city and rural locations. You can choose to head south and experience the thrills and excitement of college sports, large music festivals, elegant dining, shopping, and plays, or you can head north and experience the great outdoors with hiking, rock climbing, caving, and lake adventures. Pieces of both worlds are located in and around Leander ISD, making it easy to find the perfect something for everyone.

Leander ISD is one of the fastest growing districts in the state, ranked in the top 3 for several years, and currently ranked in the top 15. We have experienced over 80% growth in the last ten years, and anticipate continuing to grow. During the 2014-2015 school year, Leander ISD had a total enrollment of more than 36,100 students and more than 4,200 teachers and staff. The make-up of the district includes twenty-four elementary schools (Elementary #25 opening in 2015-16), eight middle schools, five high schools and two alternative schools spread out across the district that spans more than 200 square miles.

The Leander Independent School District is located in the midst of Liberty Hill ISD, Georgetown ISD, Round Rock ISD, Lake Travis ISD, Eanes ISD, and Marble Falls ISD (see picture below).

Leander ISD administration reviewed and revised, with Board approval, elementary attendance zones in the fall of 2014 due to the opening of Camacho Elementary (EL #25), in the 2015-16 school year. Additionally, administration reviewed and revised, with Board approval, high school zones for 2016-17 as a sixth high school, Tom Glenn High School, is slated to open that school year.
From the Leander ISD home page Quick Links bar, click the "Attendance Zones" link to find a link to the LISD Street Directory Listing. It will allow you to search for your street address, in order to find the school that you are zoned to attend.
2015-2016 LISD High School Attendance Zones

From the Leander ISD Parents/Students tab click Attendance Zones to find a link to the LISD Street Directory Listing.

It will allow you to search for your street address, in order to find the school that you are zoned to attend.
Summary of Beliefs/Policy Governance and Vision

Policy Governance® is a Board leadership approach developed by John and Miriam Carver that emphasizes community values, well-educated students, systems accountability, and efficient use of administration and Board time.

Under policy governance the board sets forth clear expectations for student results and sets executive expectations under which the administration operates. The results policies and executive expectations are set within the parameters of the resources and the values of the community.

The following four categories of Board policies create the structure: Governance Process policies, Board/Superintendent Relations policies, Results policies, and Executive Expectations. Visit our website to review Policy Governance in detail.

The structure of the Board is to provide guidance and direction for accomplishing the District’s vision, as set out in Policy BBD(Exhibit).

Leander ISD Vision:

Leander ISD’s vision is that every student is encouraged, supported, and challenged to achieve the highest levels of knowledge, skills, and character.

Our Challenge:
In order to accomplish this vision, we must:

- Give students ownership in their learning, with the Seven Student Learning Behaviors anchoring every classroom.
- Close the achievement gap.
- Ensure students exit our system, college and career ready.
- Focus on the whole student, ensuring that every student is healthy, safe, engaged, supported and challenged.

While the above goals are not measurable from a cost perspective, Leander ISD is a place where care and concern for every student, parent and partnership is at the heart of everything we do. Our Guiding Documents — the Learning Model, 10 Ethical Principles, the Graduate Profile — are the foundation of who we are and ensure that we maintain a great learning environment for all students.

LISD does not have a measurable tool to align budget with the mission statement, major goals, or objectives.
Enrollment Overview

The projected student counts by grade level and demographics are based upon historical trends and other known variables. Leander ISD is projected to increase in enrollment by approximately 11.38% over the next five years, and 20.96% over the next ten years.

The Leander Independent School District student population has changed some in recent years. The following trends have been identified and the budget documents account for such change:

- Increasing growth at secondary
- Increasing minority student population
- Increasing reliance on technology by student population

The public education system in the State of Texas is primarily funded by local property taxes and state aid. The primary driver of state aid is the students in attendance at a school district during the school year. Therefore, it is incumbent on school districts to promote and acknowledge their students, campuses, and community to bring in as many students as possible to generate the necessary funds to operate effectively.
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AEIS data 2000-01 thru 2011-12; TAPR data 2012-13 thru 2013-14; PEIMs data for 2014-15
## Campus Enrollment Projections  
### 2015/2016  
#### Low Growth Scenario  

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<th>216</th>
<th>339</th>
<th>2,476</th>
<th>2,643</th>
<th>2,748</th>
<th>2,772</th>
<th>2,882</th>
<th>2,877</th>
<th>-</th>
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<th>-</th>
<th>-</th>
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<th>-</th>
<th>-</th>
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| MS SUBTOTAL   | -   | -   | -     | -     | -     | -     | -     | -     | 3,012 | 2,967 | 2,874 | - | - | - | - | 8,853 |

| HS SUBTOTAL   | -   | -   | -     | -     | -     | -     | -     | -     | 3,035 | 2,886 | 2,741 | 2,420 | 11,082 |

| DISTRICT TOTAL | 216 | 339 | 2,476 | 2,643 | 2,748 | 2,772 | 2,882 | 2,877 | 3,012 | 2,967 | 2,874 | 3,035 | 2,886 | 2,741 | 2,420 | 36,888 |

| Adj for half-time PreK | | | | | | | | | | | | | | | | 36,718 |
Current Program Weights

The State of Texas funds public school districts based upon student populations in certain educational areas. These specific educational areas have weights assigned to them to provide equitable funding to districts for the additional cost incurred when providing these special services – hence, the term *Weighted Average Daily Attendance (WADA)*.

For the 2015/16 funding year, the following weights are provided accordingly:

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<tr>
<th>Program</th>
<th>Weight</th>
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<tr>
<td>Regular Program</td>
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<tr>
<td>Career and Technology</td>
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<tr>
<td>Gifted and Talented</td>
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<tr>
<td>Bilingual Program</td>
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<tr>
<td>Special Education – Mainstream</td>
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<tr>
<td>Special Education – Vocational Adjustment Class</td>
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<tr>
<td>Special Education – Off Home Campus</td>
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<td>Special Education – Self Contained</td>
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<tr>
<td>Special Education – Speech Therapy</td>
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<td>Special Education – Homebound</td>
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<td>Compensatory Education</td>
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<tr>
<td>Pregnancy Related</td>
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LEANDER ISD

ACADEMIC INFORMATION
Academic Programs and Classes

In Leander ISD, our vision is that students exit our system with the same passion for learning they had when they entered our system, without economics determining their success. One of the ways we know we will accomplish this vision is by ensuring that students graduate with every option open. Our college- and career-ready initiatives are in place to see that steps are being taken so that our vision becomes a reality.

Examples of these initiatives include (for detailed information, please visit Leander ISD’s website):

High School Level Pre-Advanced Placement and Advanced Placement courses, Dual Credit Courses, Quality Utilization and Enrichment of Student Talents (QUEST), JROTC and NJROTC, and Advancement via Individual Determination (AVID). Additionally, all five high schools have specialty programs, including engineering, automotive technology, hospitality, culinary, horticulture & Landscape Design, and the International Baccalaureate (IB) Diploma Program.

Middle School Level Pre-Advanced Placement and Advanced Placement courses, foreign language, Programs for Advancement, Challenge and Enrichment (PACE), QUEST, and AVID.

Elementary School Level PACE Math and Language Arts, QUEST, Dual language program (two campuses), and the IB Primary Years Program (two campuses).

These academic classes and programs represent only a small portion of the opportunities offered at Leander ISD. Leander ISD is committed to helping all students plan for a bright and promising future. Our district prides itself on providing an academically rigorous and challenging program for all students. Ours is a college and career culture, where students aspire to academic excellence and personal best, positioning themselves for success in college and careers beyond LISD. We want students to make informed decisions about course selections and to realize the impact these decisions have on their futures.
Leander ISD’s Learning Model

Focus on Student Learning

10 Ethical Principles
- Guaranteed & Viable Curriculum
- Shared Vision & Goals
- Parent & Community Involvement

4 Challenges
- Communication & Feedback
- Support & Resources
- Collaboration & Professionalism
- Safe & Orderly Environment

10 Ethical Principles
- Essential Learning Aligned to TEKS
- Lesson Design
- Curriculum Planning & Implementation

4 Challenges
- Process Improvement
- Professional Development
- Learner Engagement
- High-Yield Strategies

2 Focus Areas
- Instruction
- Environment

3 Focus Areas
- Student Collaboration
- Student Ownership of Learning
- Higher-Order Thinking Skills

2 Focus Areas
- Research-Based
- Supportive Learning Environment

1 Focus Area
- Focus on Student Learning

The Leader Way

Graduate Profile
Leander ISD's 10 Ethical Principles

1. Honesty
telling the truth

2. Integrity
doing the right thing

3. Promise-keeping
doing what you say you are going to do

4. Loyalty
supporting someone or something

5. Concern for Others
caring for and helping others

6. Law-abidance/Civic Duty
obeying rules and laws/making the world a better place

7. Respect for Others
being polite and kind to everyone and everything

8. Fairness
treating everyone equally

9. Pursuit of Excellence
doing everything the best you can; looking for ways to improve

10. Accountability
admitting to what you do wrong, and taking pride in what you do right

Concern for Others
Respect for Others
Pursuit of Excellence
Leander ISD students are well prepared to enrich our world and excel in a global society. Each student is challenged, encouraged, and supported to achieve the highest level of knowledge, skills, and character.

### Academics
*Students are academically prepared for college, career, and life and equipped to achieve their highest potential. Students demonstrate:*

- Knowledge, understanding, and application of
  - English and language arts,
  - mathematics,
  - science,
  - social studies, and
  - U.S. constitutional studies
- Familiarity with a second language

### Character Development
*Students understand the importance of positive interactions with others as a foundation for living successful lives. Students personify the 10 Ethical Principles:*

- Honesty - telling the truth
- Integrity - doing the right thing even when no one is looking
- Promise-keeping - doing what you say you are going to do
- Loyalty - supporting someone or something
- Concern for Others - caring for and helping others
- Law-abidance/Civic duty - obeying rules and laws/making the world a better place
- Respect for Others - being polite and kind to everyone and everything
- Fairness - treating everyone equally
- Pursuit of Excellence - doing everything the best you can; looking for ways to improve
- Accountability - taking responsibility for your actions, and taking pride in what you do right

### Communication
*Students communicate and collaborate effectively. Students demonstrate:*

- Proficiency in written communication
- Proficiency in oral communication, individually and in groups, including speaking, active listening, and constructive dialogue
- Proficiency in preparing and delivering presentations
- Ability to work collaboratively as a team
- Adaptability and flexibility in response to the audience and environment
- Effective use of current technology

### Effective, Productive, and Lifelong Learning
*Students possess the aptitude, attitude, and skills necessary for the continuous pursuit of knowledge throughout life. Students demonstrate:*

- Problem-solving skills
- Creative and critical thinking skills
- Proficiency in accessing, managing, and processing information
- Competency using various learning tools, techniques, and technologies
- Perseverance, resiliency, and self-discipline to successfully set goals, develop action plans, manage time, monitor progress, and evaluate results
- Ability to learn through collaboration
- Ability to reflect and use feedback to continuously improve
- Discerning research skills

### Personal Growth and Expression
*Students apply their unique talents for personal growth and fulfillment. Students demonstrate:*

- Passion for and ownership of learning
- Self-awareness of skills, interests, aptitudes, and learning styles
- Personal development and expression through artistic, physical, and intellectual disciplines
- Proactive physical wellness
- Understanding of fiscal responsibility
- Awareness of life opportunities in college and career guidance

### Social Awareness, Contribution, and Stewardship
*Students are active contributors in the community and prepared to participate in our global society. Students demonstrate:*

- Contribution and service to community
- Stewardship of resources
- Understanding the benefits of a democratic government, free enterprise and entrepreneurship
- Leadership skills
- Understanding the value of cultural diversity
What is "IT" in the Classroom?

When students are highly engaged in their learning, what does it sound like? When students are enthusiastic about their learning, what does it look like? What student behaviors and mindsets will ensure that they will exit our system with the same passion for and joy in learning they had when they entered, without economics determining success? In short, what is “It”?

Student Learning Behaviors

As a student I will own my learning when I consistently...

- **Explore Learning Targets...**
  by knowing what I need to learn, finding meaning and making connections in my learning.

- **Assess for Learning...**
  by determining my progress toward achieving the learning target.

- **Plan for Intervention and/or Challenge...**
  by seeking support when I'm struggling and discovering ways to remain challenged in my learning.

- **Use Learning Strategies...**
  by applying a variety of strategies and tools to help me learn.

- **Collaborate and Engage...**
  by interacting with other students and remaining actively engaged in my learning.

- **Analyze Data and Set Goals...**
  by creating learning goals and tracking my progress on an ongoing basis.

- **Show Evidence of Learning...**
  by determining how to demonstrate my learning.

Leander ISD Shared Vision: Students will exit our system with the same passion for and joy in learning they had when they entered, without economics determining success.
Academic Goals and Objectives

Leander ISD has three guiding documents, which include the learning model, 10 ethical principles, and the graduate profile. Another foundational document used in Leander ISD is the Student Learning Behaviors. These documents were developed as part of Leander ISD’s Strategic Plan, and are in keeping with the District’s motto that students “graduate with every option open”.

Leander ISD’s Learning Model is a research-based model for instruction in LISD. It was implemented district wide in 2006 as a tool to provide LISD with guidance on how classrooms and schools can effectively enhance student achievement.

At the center and heart of the Learning Model is “Focus on Student Learning.” This is the district’s singular purpose for existing and is considered in every new opportunity and decision made throughout LISD.

The result of three years of collaborative work by principals, instructional leaders and teachers at all levels across the district, the Leander ISD Student Learning Model is both a target and a guide as the district seeks to become the best in the world at guiding student learning.
LEANDER ISD

ACCOUNTING INFORMATION
Basis of Accounting

The funds and the accounts of Leander Independent School District have been established under the rules prescribed in the Financial Accounting and Reporting Module of the Texas Education Agency (TEA) Financial Accountability System Resource Guide (also known as FASRG). This budget document contains detailed information for all funds which are required to be approved annually.

Budgets for all funds are prepared using the same method of accounting as for financial reports (modified accrual). Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for principal and interest on general long-term debt which is recognized when due.

The following is a description of the funds for which annual budgets are required to be approved:

**General Fund**- Accounts for all financial transactions not properly includable in other funds. The principal sources of revenue include local property tax collections, state entitlements based on student counts, and federal reimbursements. Expenditures include all costs necessary for the daily operation of the schools.

**Special Revenue Funds** – Accounts for funds awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

**Food Service Fund**- Accounts for the District's food service program including local, state, and federal revenue sources and all costs associated with the operation of the program.

**Debt Service Fund**- Accounts for the payment of interest and principal on all bonds of the District. The primary source of revenue is local property tax collections.

**Capital Projects Fund**- Accounts, on a project basis, for projects financed by the proceeds from bond issues or for capital projects otherwise mandated to be accounted for in this fund.
Financial Accounting and Reporting

Financial Accounting Structure

The purpose of financial accounting and reporting by state and local governmental entities is to accumulate and provide information to facilitate decision making by various user groups. Certain requirements have been established requiring school districts to maintain proper budgeting and financial accounting and reporting systems. In addition, principles and policies to ensure uniformity in accounting have been developed. Specifically, the following financial accounting and reporting topics are:

- GAAP and legal compliance
- Legal requirements
- Accounting principles and policies
- Fund accounting
- Basis of accounting
- Encumbrance accounting
- Interfund transactions
- Nonexchange transactions
- Accounting changes
- Hierarchy of GAAP for state and local governments
- GASB statement summaries
- Change in fiscal year
GAAP and Legal Compliance

Guidelines for financial accounting and reporting are derived from generally accepted accounting principles (GAAP). School districts are required to adhere to GAAP.

Legal and contractual considerations typical of the government environment are reflected in the fund structure basis of accounting and are a major factor distinguishing governmental accounting from commercial accounting.

Governmental financial operations are regulated by various kinds of legal provisions. Other types of financial matters often are also regulated by charters, ordinances, resolutions, governing body orders, and intergovernmental grant or contract regulations.

The annual operating budget is one of the most important of all legal documents governing financial transactions. Upon board of trustee approval, the expenditure requests in the budget become binding appropriations that may not legally be exceeded by the school district without an amendment. Taxes and other revenue sources that finance budgeted expenditures usually require board enactment.

An important function of governmental accounting systems is to enable administrators to assure and report on compliance with finance-related legal provisions. This assurance and reporting means that the accounting system, its terminology, fund structure and procedures must be adapted to satisfy finance related legal requirements. However, the basic financial statements of school districts should be prepared in conformity with GAAP.

In some instances legal provisions may conflict with GAAP. These differences often occur because constitutional, charter or other legal provisions governing fiscal operations are difficult to change. Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis but should include sufficient additional reports to permit GAAP-based reporting. If a school district prepares the budget on the cash basis or another basis not consistent with GAAP, financial management and reporting becomes complicated.

If legal requirements dictate another basis of accounts or reports, school districts should maintain the accounts and prepare budgetary reports on the legally prescribed budgetary basis to determine and to demonstrate legal compliance and maintain sufficient supplemental records to permit presentation of financial statements in conformity with GAAP. When financial statements prepared in conformity with GAAP do not satisfy legal and contractual requirements, the school district should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities.
Legal Requirements

The Texas Education Code (TEC) and other state statutes contain the legal requirements for public school finance, accounting, budgeting and reporting. In summary, the state requirements are:

**Accounting** - A standard school fiscal accounting system must be adopted and installed by the board of trustees of each school district. The accounting system must conform to generally accepted accounting principles. This accounting system must also meet at least the minimum requirements prescribed by the state board of education, subject to review and comment by the state auditor.

**Auditing** - Accounting documents and records must be audited annually by an independent auditor. Texas Education Agency (TEA) is charged with review of the independent audit of the local education agencies. The Auditing and Data Collection & Reporting modules of this Resource Guide provide additional information regarding audits of school districts and financial reporting.

**Budgeting** - Not later than August 20 (June 19 for school districts with a July 1 fiscal year start date) of each year, the superintendent (or designee) must prepare a budget for the school district. The legal requirements for funds to be budgeted are included in the Budgeting module of the Resource Guide. The budget must be adopted before expenditures can be made, and this adoption must be prior to the setting of the tax rate for the budget year. The budget must be itemized in detail according to classification and purpose of expenditure, and must be prepared according to the rules and regulations established by the state board of education. The adopted budget, as necessarily amended, shall be filed with TEA through the Public Education Information Management System (PEIMS) as of the date prescribed by TEA. The school district’s board minutes should be used to record the adoption of the budget and any amendments to the budget. Budget amendments are to be made prior to exceeding a detailed functional expenditure category, and these amendments are to be recorded in the board minutes. Filing of the final amended budget with TEA is satisfied whenever the annual audit report, showing a comparison of budget amounts with actual amounts, is filed. The Budgeting module of this Resource Guide provides additional information regarding budgeting issues.

**Reporting** - The commissioner of education may require reports concerning public school districts as deemed proper and furnish necessary blanks, forms and instructions for this purpose. The budgets and reports filed with TEA will be reviewed and analyzed by TEA staff to determine whether all legal requirements have been met and to collect data needed in preparing reports for the governor and the legislature. The law provides that the TEA may withdraw school accreditation from any school district failing to comply with budgeting, accounting, and reporting requirements. The Auditing, Data Collection, and Reporting modules of this Resource Guide provide additional information regarding audits of school districts and financial reporting.
Expenditures - In some areas, the laws are specific in restricting expenditures. There are many statutes, attorney general’s opinions and state board of education rules concerned with authorized expenditures from school funds. These sources should be consulted when a question arises as to the legality of a proposed expenditure.

Other financial matters - The statutes also specify authorizations and restrictions concerning financial matters such as taxes, depositories, issuance of bonds and warrants, loans, investments, etc. In most cases, the school authorities should obtain competent legal advice pertaining to the specific transaction prior to its initiation.

Accounting Principles and Policies

Principles and policies adopted by the state board of education are official rules and constitute minimum budgeting, accounting, auditing and reporting requirements for independent school districts. The state board of education intent in prescribing these rules is to cause the budgeting and financial accounting and reporting system of independent school districts to conform with generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) for accounting treatments not specified in GASB pronouncements. Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) Section 1100, “Summary Statement of Principles,” defines twelve principles of accounting and reporting shown in Exhibit 1.

Exhibit 1. Summary Statement of Principles of Accounting and Reporting (as adapted from GASB Codification Section 1100)

- Accounting and Reporting Capabilities - A governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the government in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

- Fund Accounting Systems - Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Fund financial statements should be used to report detailed information about the primary government, including its blended component units. The focus of governmental and proprietary fund financial statements is on major funds.
• *Types of Funds* - The following types of funds should be used by state and local governments:

**Governmental Funds**

(1) *The General Fund* – to account for all financial resources except those required to be accounted for in another fund.

(2) *Special Revenue Funds* – to account for the proceeds of specific revenue sources (other than trust for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specific purposes.

(3) *Capital Projects Funds* – to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments). Capital outlays financed from general obligation bond proceeds should be accounted for through a capital projects fund.

(4) *Debt Service Funds* – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds are required if they are legally mandated and/or if financial resources are being accumulated for principal and interest payments maturing in future years.

(5) *Permanent funds* – to report resources legally restricted so earnings, but not principal, may be used for purposes that support the school.

**Proprietary Funds**

(6) *Enterprise Funds* – to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met.

   a.) The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit – even if that government is not expected to make any payments – is not payable solely from fees and charges of the activity.

   b.) Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.

   c.) The pricing policies of the activity establish fees and charges designed to
recover its costs, including capital costs (such as depreciation or debt service).

(7) *Internal Service Funds* – to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund.

*Fiduciary Funds*

To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust and agency funds therefore cannot be used to support the government’s own programs. These include:

8) Pension (and other employee benefit) trust funds should be used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other post employment benefit plans, or other employee benefit plans.

9) Investment trust funds should be used to report the external portion of investment pools reported by the sponsoring government.

10) Private-purpose trust funds, such as a fund used to report escheat property, should be used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

11) Agency funds should be used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

- *Number of Funds* - Governmental units should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established, however, because unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.
• **Reporting Capital Assets** - A clear distinction should be made between general capital assets and capital assets of proprietary and fiduciary funds. Capital assets of proprietary funds should be reported in both the government-wide and fund financial statements. Capital assets of fiduciary funds should be reported only in the statement of fiduciary net assets. All other capital assets of the governmental unit are general capital assets. They should not be reported as assets in governmental funds but should be reported in the governmental activities column in the government-wide statement of net assets.

• **Valuation of Capital Assets** - Capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Donated capital assets should be recorded at their estimated fair value at the time of acquisition plus ancillary charges, if any.

• **Depreciation and Impairment of Capital Assets**

  Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible, are intangible assets with indefinite useful lives, or are infrastructure assets using the modified approach. Inexhaustible assets such as land and land improvements should not be depreciated. Depreciation expense should be reported in the government-wide statement of activities; the proprietary fund statement of revenues, expenses, and changes in fund net assets; and the statement of changes in fiduciary net assets. Capital assets should be evaluated for impairment when events or changes in circumstances suggest that the service utility of a capital asset may have significantly and unexpectedly declined.

• **Reporting Long-term Liabilities** - A clear distinction should be made between fund long-term liabilities and general long-term liabilities. Long-term liabilities directly related to and expected to be paid from proprietary funds should be reported in the proprietary fund statement of net assets and in the government-wide statement of net assets. Long-term liabilities directly related to and expected to be paid from fiduciary funds should be reported in the statement of fiduciary net assets. All other unmatured general long-term liabilities of the governmental entity should not be reported in governmental funds but should be reported in the governmental activities column in the government-wide statement of net assets.
• **Accrual Basis in Governmental Accounting** - The modified accrual basis of accounting or accrual basis of accounting, as appropriate, should be utilized in measuring financial position and operating results.

(a) Governmental fund revenues and expenditures should be recognized on the modified accrual basis. Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except of unmatured interest on general long-term debt, which should be recognized when due.

(b) Proprietary fund statements net assets and revenues, expenses and changes in fund net assets should be recognized on the accrual basis. Revenues should be recognized in the accounting period in which they are earned and become measurable; expenses should be recognized in the period incurred, if measurable.

(c) Fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post employment healthcare plans.

(d) Transfers should be recognized in the accounting period in which the interfund receivable and payable arise.

• **Budgeting, Budgetary Control, and Budgetary Reporting**

(a) An annual budget(s) should be adopted by every governmental unit.

(b) The accounting system should provide the basis for appropriate budgetary control.

(c) Budgetary comparison schedules should be presented as required supplementary information for the general fund and for each major special revenue fund that has a legally adopted annual budget. (The budgetary comparison schedule should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the government’s budgetary basis.)

• **Transfer, Revenue, Expenditure, and Expense Account Classification**

(a) The statement of activities should present governmental activities at least at the level of detail required in the governmental fund statement of revenues,
expenditures, and changes in fund balances—at a minimum by function. Governments should present business-type activities at least by different identifiable activities.

(b) Governmental fund revenues should be classified by fund and source. Expenditures should be classified by fund and source. Expenditures should be classified by fund, function (or program), organization unit, activity, character, and principal classes of objects.

(c) Proprietary fund revenues should be reported by major sources, and expenses should be classified in essentially the same manner as those of similar business organizations, functions, or activities.

(d) Proceeds of general long-term debt issues should be classified separately from revenues and expenditures in the governmental fund financial statements.

(e) Transfers should be classified separately from revenues and expenditures or expenses in the basic financial statements.

- **Common Terminology and Classification** - A common terminology and classification should be used consistently throughout the budget, the accounts, and the financial reports of each fund or activity.

- **Annual Financial Reports**
  
  (a) Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information should be prepared to facilitate management control of financial operations, legislative oversight, and, where necessary or desired, for external reporting purposes.

  (b) A comprehensive annual financial report should be prepared and published, covering all funds and activities of the primary government (including its blended component units) and providing an overview of all discretely presented component units of the reporting entity—including introductory section, management’s discussion and analysis (MD&A), basic financial statements, required supplementary information other than MD&A, combining and individual fund statements, schedules, narrative explanations, and statistical section. The reporting entity is the primary government (including its blended component units) and all discretely presented component units.

  (c) The minimum requirements for MD&A, basic financial statements, and required supplementary information other than MD&A are:

    1. Management’s discussion and analysis.
    2. Basic financial statements. The basic financial statements should include:
      
      (a) Government-wide financial statements.
      (b) Fund financial statements.
      (c) Notes to the financial statements.
(3) Required Supplementary information other than MD&A.

(d) The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s basic financial statements to be misleading or incomplete (See GASB 39). The reporting entity’s government-wide financial statements should display information about the reporting government as a whole distinguishing between the total primary government and its discretely presented component units as well as between the primary government’s governmental and business-type activities. The reporting entity’s fund financial statements should present the primary government’s (including its blended component units, which are, in substance, part of the primary government) major funds individually and nonmajor funds in the aggregate. Funds and component units that are fiduciary in nature should be reported only in the statements of fiduciary net assets and changes in fiduciary net assets.

(e) The nucleus of a financial reporting entity usually is a primary government. However, a governmental organization other than a primary government (such as a component unit, joint venture, jointly governed organization, or other stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

Overall summaries of the state mandated principles and policies are:

**Generally accepted accounting principles (GAAP)** - School district accounting systems must be kept in accordance with generally accepted accounting principles and shall present fairly and with full disclosure the funds and activities and results of financial operations in such a manner to determine and demonstrate compliance with finance-related legal and contractual provisions. Whenever conflicts exist between legal requirements and generally accepted accounting principles, the financial statements shall be prepared in conformity with generally accepted accounting principles, and additional schedules and/or narrative explanations shall be attached as necessary to satisfy or report legal compliance responsibilities and accountabilities. See Statutory Modified Accrual Method for the exception regarding GASB 45, OPEB.

**Fund accounting** - The accounting system shall be organized and operated on a fund basis. All funds of school districts shall be accounted for and included on the end-of-year combined balance sheet. A fund is defined as a fiscal and accounting entity with a self-
balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. All school districts shall establish and maintain only the minimum number of funds required for efficient operations, limited to those fund types presented in the Account Code section of this module of the Resource Guide.

Central accounting - Accounting for public funds of independent school districts shall be on an organization-wide basis covering all funds. Governmental, proprietary and fiduciary fund types shall be the accounting responsibility of a centralized unit or office within the organizational structure of a school district.

Capital assets - Capital assets shall be accounted for at historical cost (which includes any ancillary charges necessary to place in its location and condition for use). Donated capital assets shall be recorded at their estimated fair value at the time received. Capital assets shall include land, buildings, improvements other than buildings, vehicles, machinery, infrastructure, works of art and historical treasures, furniture and equipment that:

- Are not consumed as a result of use.
- Have a useful life of at least one year and a per-unit cost of $5,000 or more.
- Can be controllable, identified by a permanent or assigned number or label, and be reasonably accounted for through a fiscal inventory system. Groups of like items may be included in the inventory system.

Depreciation - Depreciation of capital assets should be over their estimated useful lives unless they are either inexhaustible or are infrastructure assets using the modified approach.

- Depreciation of capital assets should be reported in the government-wide statement of activities; the proprietary fund statement of revenues, expenses, and changes in fund net assets; and the statement of changes in fiduciary net assets.

Basis of accounting - Generally accepted accounting principles (GAAP) shall be followed for financial budgeting, accounting and reporting purposes in PEIMS except for foundation school program (FSP) revenues. FSP revenues must be accounted for under a budgetary
basis of accounting as explained below. This budgetary basis must be reported in the annual financial report and reconciled to GAAP in the notes to the financial statements. Materiality is considered in GAAP requirements, and the determination of materiality is an exercise of the professional judgment of the independent auditor.

Modified accrual or accrual method - The basis of accounting shall be on the modified accrual or accrual method, as appropriate for the fund.

- Revenues and expenditures of governmental fund types shall be budgeted, recorded and recognized on the modified accrual basis. Revenues shall be recognized in the accounting period in which they become available and measurable. Additionally, FSP revenues earned for days of instruction for the new academic year occurring prior to the close of the current fiscal year as a ratio to the total days of instruction may be accrued as revenue if collectible within 60 days of fiscal year-end. Expenditures shall be recognized in the accounting period in which the fund liability is incurred (as services are rendered or title to property is transferred to the school district), if measurable, except for unmatured interest on general long-term debt, which shall be recognized when due. The annual financial reports and federal quarterly and final completion reports must be prepared on this same basis of accounting. Cash basis or reconciliation type reports may supplement modified accrual and accrual basis reports.

- Revenues and expenses of proprietary fund types shall be recognized on the accrual basis. Revenues shall be recognized in the accounting period in which they are earned and become measurable. Expenses shall be recognized in the accounting period in which they are incurred and become measurable.

- Agency funds shall be accounted for on the accrual basis (however, agency funds maintain only assets and liabilities).

- Interfund transfers shall be recognized in the accounting period in which the receivable and payable arise.

Statutory modified accrual method - GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, superseded GASB Statement No. 12. Since most districts don’t offer post-employment benefits other than through TRS, there is not much of an impact on most school districts. HB 2365 passed by the 80th Legislature made the implementation of GASB 45 optional for Texas governmental entities, with accounting guidance regarding a statutory modified accrual basis to be provided by the Comptroller. Please refer to the Comptroller’s OPEB website for additional guidance.

Budgetary basis of accounting - The budgetary basis of accounting shall be consistently applied in budgeting, recording and reporting foundation school program (FSP) revenues in
The official school district budget, as adopted, shall be recorded in the general ledger. Revenues and expenditures authorized in the budget shall be controlled in the accounting records and reported in the financial statements. Only the General Fund, Debt Service Fund and Food Service Fund must be included in the official school district budget. If the child nutrition program (Food Service) is accounted for in an Enterprise Fund, the fund must be budgeted and the budget must be reported through PEIMS.

Budgetary control/encumbrance accounting - The official school district budget, as adopted, shall be recorded in the general ledger. Revenues and expenditures authorized in the budget shall be controlled in the accounting records and reported in the financial statements. Only the General Fund, Debt Service Fund and Food Service Fund must be included in the official school district budget. If the child nutrition program (Food Service) is accounted for in an Enterprise Fund, the fund must be budgeted and the budget must be reported through PEIMS.

To control budgeted fund commitments as a result of unperformed executory contracts for goods or services, the accounting system shall employ a method of encumbrance accounting. Encumbrances shall be documented by contracts, purchase orders, or other evidence showing binding commitments for goods or services.

- Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if unperformed contracts in process at year end are completed.

- Appropriations lapse at year end. A school district may intend to honor the encumbrance contracts in progress at year end (unless prohibited to do so by law or program regulations) or to cancel them. If there is intent and legal authorization to honor them, encumbrances outstanding at year end shall be a reservation of fund balance, and the subsequent year’s appropriations shall provide the authority to complete these transactions.

Uniform classifications and terminology - Fund codes, mandatory account classifications and terminology prescribed in the Account Code section of this module of the Resource Guide shall be used by school districts. General ledger accounts prescribing a double entry system and distribution of related payroll expenses with payroll shall be uniformly used throughout the budgeting, accounting and financial reporting system.

- A school district accounting system shall use the accounting code structure presented in the Account Code section of the Resource Guide.
• Funds shall be classified and identified on required financial statements by the same code number and terminology provided in the Account Code section of the Resource Guide.

• Revenues shall be recorded on a gross basis and shall be classified by fund, source (object code), fiscal year and where fiscal integrity (separate accountability) is necessary, by program and/or project.

• Expenditures or expenses shall be classified by fund, function, object, organization, program intent and fiscal year.

• Special Revenue Fund programs requiring project accountability are to be identified by project through the use of the fiscal year code. Once the fiscal year code has been assigned a project, it shall remain with the project until its termination, regardless of the fiscal year in which termination occurs. Project accountability is a requirement for most federal projects; however, it rarely applies to state grants.

• Interfund transfers and proceeds from notes or other indebtedness shall be classified separately from and not recorded as fund revenues and expenditures or expenses.
  
  − Interfund transactions (except loans or advances, interfund service provided and used transactions and reimbursements) shall be accounted for as interfund transfers. Interfund transfers shall consist of transfers which are nonrecurring or nonroutine transfers of equity between funds.

  − Interfund service provided and used transactions and reimbursements shall not be accounted for as interfund transfers, but shall be appropriately accounted for as fund revenues, expenditures or expenses, or adjustments thereto. An example is a billing to the General Fund by the Internal Service Fund, thus constituting an expenditure for the General Fund and a revenue for the Internal Service Fund. Reimbursements shall be recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Accounting alternatives - The accounting system shall allow certain flexibility in the recognition of relatively minor amounts of certain revenues and expenditures. Application of alternatives in accounting methods shall be consistently applied from accounting period to accounting period.

• Monies collected in advance and the property tax levy recorded in the school district’s opening budget entries that will ultimately be recognized as revenues shall be recorded
as deferred revenues, and at the appropriate time shall be recognized as revenues of the accounting period to which they apply.

- Inventory items of materials, supplies, etc., may be considered expenditures/expenses either when purchased (purchases method) or when used (consumption method), but significant amounts of inventory shall be reported on the balance sheet.

- Expenditures/expenses for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods, but may be accounted for as expenditures/expenses of the period of acquisition.

**Fund equity and other credits** - Fund equity is comprised of investments in capital assets (other credit); contributed capital; net assets; reserved fund balance; unreserved, designated fund balance; and unreserved, undesignated fund balance.

Once GASB 54 is effective (fiscal year 2010/11), fund equity consists of investments in capital assets (other credit); contributed capital; net assets; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. See section 1.2.9.2 for additional discussion.

**Fund Accounting**

The school district’s accounting system should be organized and operated on a fund basis. Each fund is a separate fiscal entity in the school district much the same as various corporate subsidiaries are fiscally separate in private enterprise. The separate funds are established by the school district for the specific activities and objectives in accordance with statutes, laws, regulations, restrictions, or for specific purposes. A fund is defined in GASB Codification Section 1300 as:

...a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
The requirement for a self-balancing set of accounts means that the familiar debit and credit framework is applied to the recording of transactions and events in the accounting systems of each fund. But the requirement that a fund must be both a separate fiscal and accounting entity indicates that the self-balancing feature itself is not adequate alone; accounting control and accountability for the government's general capital assets and the unmatured principal of its long-term debt are also required.

Per GASB Statement No. 34, the general long-term debt account group and the general fixed asset account group are no longer included as part of the basic financial statements. However, school districts should continue to maintain these accounts as part of their internal control system. The general long-term debt fund and general capital asset fund are used to establish accounting control and accountability for the government's general capital assets and the unmatured principal of its long-term debt.

Legal reporting requirements and the varied nature of school district’s operations preclude a single set of accounts for recording and summarizing all transactions. The records must be organized on a multiple-fund basis with each of the several funds complete and independent accounting entities. The absolute minimum number of funds appropriate for public school operations depends on the purposes and legal requirements of the various activities. The identified fund types are for group activities that are similar in nature or purpose. The required fund types and groups of self-balancing accounts as described in GASB Codification Section 1300.102 and 103 (excerpted) follow.

**Description of Fund Types**

The three fund types are

*Governmental fund* reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance."

Financial statements for governmental funds should be presented using the current financial resources measurement focus and the modified accrual basis of accounting. The governmental fund measurement focus is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources).
The financial statements required for governmental funds are a balance sheet and a statement of revenues, expenditures, and changes in fund balance.

*Proprietary Fund* reporting focuses on the determination of net income, changes in net assets (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise and internal service funds.

Proprietary fund statements of net assets and revenues, expenses, and changes in fund net assets should be presented using the economic resources measurement focus and the accrual basis of accounting.

Required financial statements for proprietary funds are a statement of net assets or balance sheet; a statement of revenues, expenses, and changes in fund net assets or fund equity; and a statement of cash flows.

*Fiduciary fund* reporting focuses on net assets and changes in net assets. Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished from agency funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Financial statements of fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post employment benefit plans.
Section 44.007 of the Texas Education Code (Code or TEC) requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP). This section further requires that a report be provided at the time that the school district budget is filed, showing financial information sufficient to enable the state board of education to monitor the funding process and to determine educational system costs by school district, campus and program.

The Texas Education Code, Section 44.008, requires each school district to have an annual independent audit conducted that meets the minimum requirements of the state board of education, subject to review and comment by the state auditor. The annual audit must include the performance of certain audit procedures for the purpose of reviewing the accuracy of the fiscal information provided by the district through the Public Education Information Management System (PEIMS). The audit procedures are to be adequate to detect material errors in the school district’s fiscal data to be reported through the PEIMS system for the fiscal period under audit.

A major purpose of the following accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all school districts in accordance with generally accepted accounting principles.
Exhibit 29. Account Code Structure

The Code Structure

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**Fund Codes**

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**Account Groups**

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**Function Codes**

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**Object Codes:**

- Assets (1XXX)
- Liabilities (2XXX)
- Fund Equity (3XXX)
- Clearing Accounts (4XXX)
- Revenues/Income (5XXX)
- Expenditures/Expenses (6XXX)
- Other Resources/Non-Operating Revenues/Residual Equity Transfers In (7XXX)
- Other Uses/Non-Operating Expenses/Residual Equity Transfers Out (8XXX)

**Local Option Codes 1 and 2**

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**Organization Codes**

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**Fiscal Year Code**

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**Program Intent Codes**

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**Local Option Code 3**

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**Local Option Codes 4 and 5**

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**Indicates a mandatory code for State reporting purposes**

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**Indicates a code that may be used at local option**

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**BASIC SYSTEM CODE COMPOSITION:**

**Fund Code**

A mandatory 3 digit code is to be used for all financial transactions to identify the fund group and specific fund. The first digit refers to the fund group, and the second and third digit specifies the fund.

**Example:**

A Special Revenue Fund could be coded 211. The 2 indicates the Special Revenue Fund, the 11 specifies ESEA, Title I, Part A - Improving Basic Programs.
**Function Code**

A mandatory 2 digit code applied to expenditures/expenses that identify the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.

Example:

The function "Health Service" is coded 33. The first 3 specifies Support Services - Student (Pupil) and the second 3 is Health Services.

**Object Code**

A mandatory 4 digit code that identifies the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications.

Example:

Money received for current year taxes is classified in account 5711. The 5 denotes revenue, the 7 shows Local and Intermediate Sources, the 1 denotes local real and personal property taxes revenue and the final 1 specifies current year levy.

**Optional Codes 1 and 2**

A 2 digit code for optional use to provide special accountability at the local level.

**Organization Code**

A mandatory 3 digit code that identifies the organization, i.e., High School, Middle School, Elementary School, Superintendent’s office, etc. An organization code does not necessarily correspond with a physical location. The activity, not the location, defines the organization. Campuses are examples of organization codes and are specified for each school district in the Texas School Directory.
Example:

Expenditures for a high school might be classified as 001. This is a campus organization code that is defined in the Texas School Directory for that high school.

**Fiscal Year Code**

A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.

Examples:

For the 2005-06 fiscal year of the school district, a 6 would denote the fiscal year.

An ESEA, Title I, Part A - Improving Basic Programs grant for the project year from July 1, 2005 through June 30, 2006 would be indicated by a 6. A grant for the project year from July 1, 2006 through June 30, 2007 would be indicated by a 7. Therefore, 10 months of the ESEA, Title I, Part A - Improving Basic Programs grant expenditures would be accounted for under project year 6 and 2 months would be accounted for under project year 7.

**Program Intent Code**

A 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served.

Example:

An entire class of physics is taught at the basic level. Program intent code 11 would designate Basic Educational Services.

**Optional Code 3**

A single code that is used at the local option.
Optional Codes 4 and 5

An optional 2 digit code that may be used by the district to further describe the transaction.
1.4.2 Fund Codes

School district accounting systems are organized and operated on a fund basis. A fund is an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. A school district designates the fund’s financial resources for a distinct purpose. The fund’s purpose can be established by the state or federal government as well as the school district. The \textit{R} by a fund indicates that the fund is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such funds are applicable to the school district.

Exhibit 30. Fund Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group Codes</th>
<th>Function Codes</th>
<th>Object Codes</th>
<th>Local Option Codes</th>
<th>Program Intent Code</th>
<th>Fiscal Year</th>
<th>Local Option Code 3</th>
<th>Local Option Code 4 and 5</th>
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<td>(1XX - 8XX)</td>
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<td>(9XX)</td>
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</tbody>
</table>

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
School districts should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

100 - 600 GOVERNMENTAL FUND TYPES

Governmental fund types for Texas school districts consist of four governmental fund groups (General, Special Revenue, Capital Projects and Debt Service) that account for the acquisition, use and balances of expendable financial resources and related liabilities as required by law or rule.

100 GENERAL FUND

The general fund is a governmental fund with budgetary control which is used to show transactions resulting from operations of ongoing organizations and activities from a variety of revenue sources for which fund balance is controlled by and retained for the use of the local education agency. The general fund utilizes the modified accrual basis of accounting. To maintain separate revenue and expenditure accounts to assure the integrity of specific revenue purposes when required by law or rule, the general fund is to employ the classifications defined below.

R  101 Food Service

This classification is to be used by the school district for a food service program, under certain circumstances.

The Food Service Fund is considered a part of the General Fund if it meets the following criteria:

- No user fees are charged; i.e., students are not charged for meals, and
- Participation in the National School Lunch Program (NSLP) is not a factor. Whether the school district participates or not, the General Fund subsidizes the Food Service Fund for all amounts required in excess of the NSLP reimbursements
The fund balance of the Food Service Fund may not exceed three months of food service operations, and such balances are to be used exclusively for allowable child nutrition program purposes. (10.553, breakfast; 10.555, lunch) (Note: See Fund Codes 240 and 701 which are alternative methods of accounting for Food Service Funds, depending on the guidelines established by the school district.)

The Summer Feeding Program funded by the Department of Human Services (DHS) is not to be classified in this fund, but rather in the Special Revenue Fund Code 242.

**R 102 ESC State Support (Education Service Centers Only)**

This classification is to be used by an education service center to account, on a project basis, for funds to provide for the general operation of the education service centers and to develop, maintain, and deliver core services for student and school district performance or other areas identified by the Commissioner of Education.

**103-160 Reserved for Future State Definition**

These classifications are reserved for future state designation and are not to be used by the school district.

**161-198 Locally Defined Classifications (Convert to Fund 199 for PEIMS)**

These classifications are used, at the option of the school district, to further classify specific revenues and related expenditures for local requirements. For PEIMS reporting these accounts are converted to Fund 199.

**R 199 General Fund**

This classification must be used to account for funds in which the local governing board designates. The local governing board has wide discretion in their use as provided by law. This fund usually
includes transactions as a result of revenues from local maintenance taxes, payments in lieu of taxes, foundation entitlements, State and County available and other Foundation School Program sources which are not identified on warrants for foundation entitlements. This fund classification is also used to record transactions involving the instructional facilities allotment for lease-purchase related purposes (Fund Code 699, Debt Service Fund, is used to record transactions involving the FSP instructional facilities allotment for bonded indebtedness (voter approved debt) related purposes). Any locally defined codes that are used at the local option are to be converted to Fund 199 for PEIMS reporting.

200/300/400 SPECIAL REVENUE FUNDS

Special revenue funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This excludes expendable trusts and major capital projects. These funds utilize the modified accrual basis of accounting.

When accounts are designated as “Education Service Centers Only,” school districts are not to use these fund classifications.

Special revenue funds are grouped in the following categories:

<table>
<thead>
<tr>
<th>Funds</th>
<th>Category/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>200-289</td>
<td>Special Revenue (Federal Programs)</td>
</tr>
<tr>
<td></td>
<td>This group of funds is used to account for federally funded special revenue funds. Member districts of shared services arrangements are to use these codes to account for the member district portion of a shared services arrangement. Each federal fund has a number assigned in the Catalog of Federal Domestic Assistance (CFDA). These numbers are reflected at the end of the definition of each fund. For those funds that are administered by the Texas Commission on Alcohol and Drug Abuse (TCADA), the appropriate TCADA code is also designated.</td>
</tr>
<tr>
<td>290-379</td>
<td>Special Revenue (Federally Funded Shared Services Arrangements)</td>
</tr>
<tr>
<td></td>
<td>This group of funds is used to account for the fiscal</td>
</tr>
</tbody>
</table>
### Funds | Category/Description
---|---
| 380-429 | **Special Revenue (State Funded)**
> This group of funds is used to account for state funded special revenue funds.

| 430-459 | **Special Revenue (State/Locally Funded Shared Services Arrangements)**
> This group of funds is used to account for the fiscal agent portion of a shared services arrangement that is state/locally funded.

| 460-499 | **Special Revenue (Local Programs)**
> This group of funds is used to account for special revenue funds from local sources.

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**200 SPECIAL REVENUE (FEDERAL PROGRAMS)**

Federal Programs that are used by school districts and education service centers not acting as a fiscal agent for a shared services arrangement are designated by Fund Codes 201 through 289. Most, but not all, of these funds must be applied for through a Standard Application System (SAS).

**201 - 202 Reserved for Future State Definition**

These fund classifications are reserved for future state designation and are not to be used by the school district.
R. 203  Child Care Development Block Grant

This fund classification is to be used to account, on a project basis, for funds granted under Title XX of the Social Security Act. (93.575) (U.S. Department of Health and Human Services)

R. 204  ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act

This fund classification is to be used to account, on a project basis, for funds granted as a result of the NCLB Act of 2001. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs. This program is authorized under P.L. 107-110 (84.186A) (U.S. Department of Education)

R. 205  Head Start

This fund classification is to be used to account, on a project basis, for funds granted for the Head Start Program by the United States Department of Health and Human Services. (93.600) (U.S. Department of Health and Human Services)

R. 206  ESEA, Title X, Part C - Education for the Homeless Children and Youth

This fund classification is to be used to account, on a project basis, for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C. (84.196) (U.S. Department of Education)

207  Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.
208 Human Immunodeficiency Virus (HIV) Education

This fund classification is to be used to account, on a project basis, for funds granted for educator training programs in human immunodeficiency virus (HIV) education for school-aged populations. Education Service Centers receive support to provide technical assistance, workshops and materials, and collection of data on HIV educational programs and practices. (93.938) (U.S. Department of Health and Human Services)

209 Energy Conservation for Institutional Buildings

This fund classification is to be used to account, on a project basis, for funds granted for energy conservation by the US Department of Energy. (81.052)

210 Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

211 ESEA, Title I, Part A - Improving Basic Programs

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.010A) (U.S. Department of Education)

Note: This fund code is also used for ESEA Title I, Part D, Subpart 2 - LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

212 ESEA, Title I, Part C - Education of Migratory Children

This fund classification is to be used to account, on a project basis, for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.
This grant is funded by P.L. 107-110. (84.011) (U.S. Department of Education)

\textbf{ESEA, Title I, Part B - Even Start Family Literacy}

This fund classification is to be used to account, on a project basis, for funds granted for programs to help parents become full partners in their children’s education, help children reach their full potential as learners, and provide literacy training for their parents by integrating adult education and early childhood education into a unified family-centered program. This grant is funded by P.L. 107-110, Title I, Part B, Subpart 3, William F. Goodling Even Start Family Literacy Program. (84.213) (U.S. Department of Education)

\textbf{Reserved for Future State Definition}

These fund classifications are reserved for future state designation and are not to be used by the school district.

\textbf{ESEA Title V, Part D, Subpart 6 - Jacob K. Javits Gifted and Talented Students Education Act}

This fund classification is to be used to account, on a project basis, for funds granted to carry out programs designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use of gifted and talented services, materials, and methods for all students. (P.L. 107-110, Title V, Part D, Subpart 6) (U.S. Department of Education)

\textbf{Reserved for Future State Definition}

This fund classification is reserved for future state designation and is not to be used by the school district.

\textbf{Adult Education (ABE) - Federal}

This fund classification is to be used to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school. Educational services include basic educational skills (reading, writing, speaking and mathematics), English as a Second Language.
instruction, and secondary level competencies for acquisition of a high school diploma or equivalent. This includes sections 322, 326, and 353 under P.L. 91.230 as amended by PL 102.73, The National Literacy Act. If a school district has more than one section, separate accountability must be maintained. This may be accomplished by using one of the locally defined segments of the code structure. (84.002) (U.S. Department of Education)

221 Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

222 National and Community Service Trust Act - Learn and Serve America

This fund classification is to be used to account, on a project basis, for funds allocated for enabling students to apply classroom learning to real life experiences. This grant is funded by P.L. 103-82. (94.004) (Corporation for National and Community Services)

223 Temporary Assistance for Needy Families (TANF)

This fund classification is to be used to account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills (reading, writing, speaking, and mathematics), English as a Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. This grant is funded by P.L. 104-193. (93.558) (U.S. Department of Health and Human Services)

224 IDEA - Part B, Formula

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) subgrants. (84.027) (U.S. Department of Education)
**IDEA - Part B, Preschool**

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities. This grant is funded by PL 105-17. (84.173) (U.S. Department of Education)

**IDEA - Part B, Discretionary**

This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component and also:

- Targeted support to LEAs
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

(84.027) (U.S. Department of Education)

**IDEA - Part B, Deaf**

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) deaf subgrants. (84.027) (U.S. Department of Education)

**IDEA - Part B, Preschool Deaf**

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities by P.L. 105-17. (84.173) (U.S. Department of Education)
IDEA - Part D, Deaf-Blind

This fund classification is to be used to account, on a project basis, for federal grant funds for the Texas Deaf-Blind Project for Children Who Are Deaf-Blind. (CFDA#84-326-C). (84.025) (U.S. Department of Education)

IDEA - Part D, Personnel Training

This fund classification is to be used to account, on a project basis, for funds granted for programs related to the training and preparation of school personnel who provide educational services to students with disabilities. (84.029) (U.S. Department of Education)

Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

Substance Abuse Prevention and Treatment Block Grant - Intervention

This fund classification is to be used to account, on a project basis, for funds granted through the Texas Department of State Health Services for intervention services for youth up to age 18. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YIN) (93.959) (U.S. Department of Health and Human Services)

ESEA Title IV - Safe and Drug-Free Schools and Communities Act

This fund classification is to be used to account, on a project basis, for funds granted through the Office of the Governor, Criminal Justice Division, for prevention/intervention services for youth (up to age 18), including DARE. This grant is funded by P.L. 103-382. (CJD code ED) (84.186A) (U.S. Department of Education)

Substance Abuse Prevention and Treatment Block Grant - Females
This fund classification is to be used to account, on a project basis, for funds granted through the Texas Department of State Health Services for intervention services for females under the age of 18. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YPF) (93.959) (U. S. Department of Health and Human Services)

\textbf{R. 239} 

\textbf{Substance Abuse Prevention and Treatment Block Grant - Prevention}

This fund classification is to be used to account, on a project basis, for funds granted through the Texas Department of State Health Services for prevention services for youth. Texas Commission on Alcohol and Drug Abuse became a part of this agency on September 1, 2004. (TCADA code YPP) (93.959) (U.S. Department of Health and Human Services)

\textbf{R. 240} 

\textbf{National School Breakfast and Lunch Program}

This fund classification is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture (USDA). The Food Service Fund is considered a Special Revenue Fund if it meets the following criteria:

- User fees are charged to supplement the National School Lunch Program (NSLP) reimbursement -- i.e., students are charged for meals.

- The General Fund subsidizes the Food Service Fund for all amounts required in excess of the NSLP reimbursements and user fees.

- The school district does not intend for the Food Service Fund to be self-sustaining.

This fund may have a fund balance not to exceed three months of food service operations, and such balances are to be used exclusively for allowable child nutrition program purposes. (10.553, breakfast; 10.555, lunch)
R 241 Education Service Center Child Nutrition

This fund classification is also to be used to account, on a project basis, for funds to operate a regional program of administrative support for the child nutrition program by the education service centers.

R 242 Summer Feeding Program, Texas Department of Agriculture (TDA)

This fund classification is to be used to account, on a project basis, for funds received from the Texas Department of Agriculture that are awarded for meals provided to the community based on the average number of daily participants. This fund should be used regardless of whether a school district’s National School Breakfast and Lunch Program is accounted for in the General Fund (101), a Special Revenue Fund (240) or an Enterprise Fund (701). (10.559)

R 243 Career and Technical - Technical Preparation

This fund classification is to be used to account, on a project basis, for funds granted to provide a combined secondary and postsecondary program (grade 9 through high school and two years of postsecondary) of technical skills in the areas of:

- Engineering
- Science
- Mechanical, industrial or practical arts or trades
- Agriculture
- Health
- Business

(84.243A) (U.S. Department of Education)
Career and Technical - Basic Grant

This fund classification is to be used to account, on a project basis, for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas. (84.048) (U.S. Department of Education)

Career and Technical - Single Parent

This fund classification is to be used to account, on a project basis, for funds granted to provide marketable skills through programs, services and activities (including dependent care and transportation) for individuals who are single parents, displaced homemakers or single pregnant women. (84.048A) (U.S. Department of Education)

Career and Technical - Sex Equity

This fund classification is to be used to account, on a project basis, for funds granted to use for programs, services (including preparatory services and support services, comprehensive career guidance and counseling) and activities to eliminate sex bias and stereotyping in Career and Technical education. (84.048A) (U.S. Department of Education)

Career and Technical - Curriculum Development

This fund classification is to be used to account, on a project basis, for funds granted to develop, disseminate and field test curriculum. This especially includes curriculum that integrates vocational and academic methodologies and provides a coherent sequence of courses through which academic and occupational skills may be measured. (84.048A) (U.S. Department of Education)
Career and Technical - Professional Development

This fund classification is to be used to account, on a project basis, for funds used for Career and Technical education teachers and academic teachers who are working with Career and Technical education students. The personnel included are corrections educators and counselors, and educators and counselors in community-based organizations. Services include in-service and pre-service training of teachers in state-of-the-art programs and techniques, such as integration of vocational and academic curriculum, with particular emphasis on training of minority teachers. (84.048A) (U.S. Department of Education)

Career and Technical - Community Based Organization

This fund classification is to be used to account, on a project basis, for funds granted for joint projects of eligible recipients and community-based organizations that provide special Career and Technical education services and activities. (84.174A) (U.S. Department of Education)

Career and Technical - Apprenticeship

This fund classification is to be used to account, on a project basis, for funds granted for work-site programs such as:

- Cooperative training
- Internships
- Joint programs
- Services and activities with community-based organizations, work study and apprenticeship programs

(84.048A) (U.S. Department of Education)

Career and Technical - Quality Work Force

This fund classification is to be used to account, on a project basis, for funds granted for the operation of a Quality Work Force Planning
Committee (partnership between educators and employers).  
(84.048A) (U.S. Department of Education)

**252 Career and Technical - Other Program Improvement**

This fund classification is to be used to account, on a project basis, for funds granted for Career and Technical used for other program improvement activities such as assessment and promotion of partnerships among:

- Business
- Education
- Industry
- Labor
- Community-based organizations
- Governmental agencies
- Supplemental Federal Grant to States for Facilities, Equipment and Other Program Improvements (Title III, Part F)

(84.253A) (U.S. Department of Education)

**253 IDEA, Part C, Early Intervention (Deaf)**

This fund classification is to be used to account on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher. This grant is funded by P.L. 101-119.  
(84.181A) (U.S. Department of Education)

**254 Reserved for Future State Definition**

This fund classification is reserved for future state designation and is not to be used by the school district.
ESEA, Title II, Part A - Teacher and Principal Training and Recruiting

This fund classification is to be used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement. (P.L. 107-110) (84.367A) (U.S. Department of Education)

ESEA, Title I, Part F - Comprehensive School Reform

This fund classification is to be used to account on a project basis, for funds granted to develop comprehensive school reforms, based on reliable research and effective practices and including an emphasis on basic academics and parental involvement. This program is authorized under P.L. 107-110 (84.010B) (U.S. Department of Education)

Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

Public Charter Schools

This fund classification is to be used to account on a project basis, for funds granted to public charter schools for planning, program design, implementation, assisting other schools and/or to disseminate information about the charter school. This program is authorized under P.L. 107-110, Title V, Part B, Subpart 1. (84.282) (U.S. Department of Education)

Matching Funds for Library Purchases

This fund classification is to be used to account, on a project basis, for federal matching funds received by the district for expenditures for books and other school library materials that are catalogued and circulated from a central source in each school building. The Texas Education Agency provides a 30% match for each dollar expended, not to exceed one dollar expended per student enrolled, in each year of the biennium, to be used for
the purchase of library books and other library materials. (84.999) State Consolidated Administrative Funds

Note: this program may be funded from one of three different funding sources and thus coded to one of three different funding codes. Refer to the Notice of Grant Award for the FAR fund code to be used.

260 **Reserved for Future State Definition**

This fund classification is reserved for future state designation and is not to be used by the school district.

261 **Reading First**

This fund classification is to be used to account, on a project basis, for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3 (P. L. 107-110, Title I, Part B, Subpart 1) (84.357) (U.S. Department of Education).

262 **Title II, Part D, Subpart 1 - Enhancing Education through Technology**

This fund classification is to be used to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P. L. 107-110, Title II, Part D, Subpart 1) (84.318) (U.S. Department of Education).

263 **Title III, Part A - English Language Acquisition and Language Enhancement**

This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards (P. L. 107-110, Title III, Part A, Subpart 1) (84.365A) (U.S. Department of Education).

264 **Community Service Grant Program**

This fund classification is to be used to account, on a project basis, for funds granted to carry out programs under which students expelled or suspended from school are required to perform community service (P. L.
107-110, Title IV, Part A, Subpart 2) (84.184c) (U.S. Department of Education).

### R265 Title IV, Part B - 21st Century Community Learning Centers

This fund classification is to be used to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students (P. L. 107-110, Title IV, Part B) (84.287) (U.S. Department of Education).

### R266 ARRA of 2009, Title XIV, State Fiscal Stabilization Fund (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted to improve basic programs authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001; the Individuals with Disabilities Education Act (IDEA); the Adult and Family Literacy Act; the Carl D. Perkins and Technical Education Act of 2006, or for the modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system. (84.394) This grant is funded by the American Recovery and Reinvestment Act (ARRA) of 2009, Title XIV.

### R267 Improving Academic Achievement (Grants for State Assessments and Related Activities)

This fund classification is to be used to account, on a project basis, for funds granted to increase educational achievement through the development and administration of state assessments and standards and through professional development aligned with student standards and assessments (P. L. 107-110, Title VI, Part A, Subpart 1, Section 6111) (84.369) (U.S. Department of Education).
Improving Academic Achievement (Grants for Enhanced Assessment Instruments)

This fund classification is to be used to account, on a project basis, for funds granted to increase educational achievement through the development and administration of state assessments and standards and through professional development aligned with student standards and assessments (P.L. 107-110, Title VI, Part A, Subpart 1, Section 6112) (84.368) (U.S. Department of Education).

Title V, Part A - Innovative Programs

This fund classification is to be used to account, on a project basis, for funds granted to implement or expand innovative assistance programs to improve student, teacher, and school performance through a variety of local reform and improvement activities. This program is authorized under P.L. 107-110 (84.298) (U.S. Department of Education).

Any funds from Title VI, Innovative Education Program Strategies (fund code 235) will roll forward into this code.

Some of the matching funds for library materials are funded from Title V, Part A and would use fund code 269. Refer to the Notice of Grant award for the FAR code to be used. A local option code must be assigned to account for the matching library funds separately from the Title V, Part A formula funds.

ESEA, Title VI, Part B – Rural and Low-Income School Program

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable them to address the unique needs of rural school districts. This program is authorized under P.L. 107-110 (84.358B) (U.S. Department of Education).
Workforce Investment Act Youth Activities (Effective September 1, 2005)

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to help low income youth between the ages of 14 and 21 acquire the educational and occupational skills, training and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood. This program is authorized under P.L.105-220 (17.259) (Department of Labor)

Medicaid Administrative Claiming Program – MAC (Effective September 1, 2005)

This fund classification is to be used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan. Expenditures attributed to the required matching amount are recorded in the General Fund and are to be accounted for with use of a local option account code, as needed, for local monitoring of compliance with federal matching requirements. (93.778)

Mathematics and Science Partnerships (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to eligible partnerships to improve the academic achievement of students in mathematics and science by providing professional development to improve teaching and by recruiting math, engineering, and science majors to teaching. This grant is authorized under Title II, Part B of the No Child Left Behind Act, P. L. 107-110. (84.336B) (U.S. Department of Education)

GEAR UP (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities. (84.334S) (U.S. Department of Education)
School Dropout Prevention (Effective fiscal year 2008/09)

This fund classification is to be used to account, on a project basis, for funds granted to provide for school dropout prevention and reentry programs and to raise academic achievement levels to ensure that all children attain their highest academic potential and have substantial and ongoing opportunities through school wide programs proven effective in school dropout prevention and reentry. This grant is authorized under Title I Part H of the No Child Left Behind Act, P. L. 107-110. (84.360A) (U.S. Department of Education)

Title I SIP Academy Grant (Effective fiscal year 2008/09)

Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P. L. 107-110. (84.377A) (U.S. Department of Education) This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners.

Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

Title II, Part D, Subpart 1 – Enhancing Education through Technology – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P.L. 107-110, Title II, 88


This fund classification is to be used to account, on a project basis, for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C. (84.387) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

**²81-²82 Reserved for Future State Definition**

These fund classifications are reserved for future state designation and are not to be used by the school district.

**²83 IDEA - Part B, Formula – ARRA (Stimulus) (Effective fiscal year 2008/2009)**

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. (84.391) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)


This fund classification is to be used to account, on a project basis, for funds for preschool children with disabilities. This grant is funded by P.L. 105-17. (84.392) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)
285 ESEA, Title I, Part A – Improving Basic Programs – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.389) (U.S. Department of Education) (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).

Note: This fund code is also used for ESEA Title I Part D, Subpart 2 – LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

286 Title I SIP Academy Grant – ARRA (Stimulus) (Effective fiscal year 2008/2009)

Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P.L. 107-110. (84.388) (U.S. Department of Education) This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners. (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).

287-288 Federally Funded Special Revenue Funds - Locally Defined (Convert to Fund 289 for PEIMS)

These fund classifications are used, at the option of the school district, to classify federally funded special revenue funds not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Fund 289.
### 289  Federally Funded Special Revenue Funds

This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above. Any locally defined codes that are used at the local option are to be converted to Fund 289 for PEIMS reporting.

### 290  FEDERALLY FUNDED SHARED SERVICES ARRANGEMENTS

The special revenue funds listed below (Fund Codes 291 through 379) are used to account for federal funds held by a fiscal agent school district or education service center that either (1) provides and pays for all services to member districts; (2) provides and pays for some services to member districts and sends a portion of the grant to each member district to expend; or, (3) sends all of the grant to member districts to expend.

Amounts sent by the fiscal agent to shared services arrangement member school districts are reported by those school districts as revenues and expenditures of the Special Revenue Fund in the appropriate fund (Fund Codes 201 through 289). Federally-funded shared services arrangements are accounted for in the same manner as grants in the Special Revenue Fund. At the end of each fiscal year, the fiscal agent is responsible for submitting financial data, by member district, through the Public Education Information Management System (PEIMS) in a special record for shared services arrangements.

### 291  Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

### 292  Shared Services Arrangements - Child Care Development Block Grant

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted under Title XX of the Social Security Act. (93.575) (U.S. Department of Health and Human Services)
**R293 Shared Services Arrangements - ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted as a result of the Improving Americas School Act of 1994. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs. This program is authorized under P.L. 107-110. (84.186A) (U.S. Department of Education)

**R294 Shared Services Arrangements - Head Start**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for the Head Start Program by the US Department of Health and Human Services. (93.600)

**R295 Shared Services Arrangements - ESEA Title X, Part C - Education for the Homeless Children and Youth**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C. (84.196) (U.S. Department of Education)

**296 Reserved for Future State Definition**

This fund classification is reserved for future state designation and is not to be used by the school district.

**R297 Shared Services Arrangements - Human Immunodeficiency Virus (HIV) Education**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for programs for educator training in human immunodeficiency virus (HIV)
education for school-aged populations. Education Service Centers receive support to provide technical assistance, workshops and materials, and collection of data on HIV educational programs and practices. (93.938) (U.S. Department of Health and Human Services)

298 Shared Services Arrangements - Energy Conservation for Institutional Buildings

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for energy conservation by the US Department of Energy. (81.052)

299 Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

300 Shared Services Arrangements - ESEA, Title I, Part A - Improving Basic Programs

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.010A) (U.S. Department of Education)

Note: This fund code is also used for ESEA Title I Part D, Subpart 2 - LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

301 Shared Services Arrangements - ESEA Title I, Part C - Education of Migratory Children

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for programs benefitting children of migrant agriculture or agriculture-related workers and children of migrant fishermen. This grant is funded by P.L. 107-110. (84.011) (U.S. Department of Education)
Shared Services Arrangements - ESEA Title I, Part B, Subpart 3 - Even Start Family Literacy

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for programs to help parents become full partners in their children’s education, help children reach their full potential as learners, and provide literacy training for their parents by integrating adult education and early childhood education into a unified family-centered program. This grant is funded by P.L. 107-110, Title I, Part B, Subpart 3, Goodling Even Start Family Literacy Program. (84.213) (U.S. Department of Education)

Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

Shared Services Arrangements - ESEA Title V, Part D, Subpart 6 - Jacob K. Javits Gifted and Talented Students Education Act

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to carry out programs designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use of gifted and talented services, materials, and methods for all students. (P.L. 107-110, Title V, Part D, Subpart 6) (84.206) (U.S. Department of Education)

Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

Shared Services Arrangements - Adult Basic Education (ABE) - Federal

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults age 16 and above, who do not have a high school diploma and are not enrolled in school. Under Section 231 and
Section 225 funds may be used for adult education and literacy services, including workplace literacy, family literacy, and English literacy programs. Under Section 223, funds may be used for professional development of the Workforce Investment Act of 1998. If a fiscal agent receives funding under more than one section, separate accountability must be maintained. This may be accomplished by using one of the locally defined segments of the code structure. (84.002) (U.S. Department of Education)

310 **Reserved for Future State Definition**

This fund classification is reserved for future state designation and is not to be used by the school district.

311 **Shared Services Arrangements - National and Community Service Trust Act - Learn and Serve America**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for enabling students to apply classroom learning to real life experiences. This grant is funded by P.L. 103-82. (94.004) (Corporation for National and Community Services)

312 **Shared Services Arrangements - Temporary Assistance for Needy Families (TANF)**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills (reading, writing, speaking, and mathematics), English as a Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. This grant is funded by P.L. 104-193. (93.558) (U.S. Department of Health and Human Services)

313 **Shared Services Arrangements - IDEA - Part B, Formula**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This
fund classification includes capacity building and improvement (sliver) subgrants. (84.027) (U.S. Department of Education)

\textbf{R 314} \hspace{1cm} \textbf{Shared Services Arrangements - IDEA - Part B, Preschool}

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for preschool children with disabilities. Funded by PL 105-17. (84.173) (U.S. Department of Education)

\textbf{R 315} \hspace{1cm} \textbf{Shared Services Arrangements - IDEA - Part B, Discretionary}

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds used to support an education service center basic special education component and also:

- Targeted support to LEAs
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

(84.027) (U.S. Department of Education)

\textbf{R 316} \hspace{1cm} \textbf{Shared Services Arrangements - IDEA - Part B, Deaf}

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) deaf subgrants. (84.027) (U.S. Department of Education)
<table>
<thead>
<tr>
<th>317</th>
<th>Shared Services Arrangements IDEA - Part B, Preschool Deaf</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for preschool children with disabilities by P.L. 105-17. (84.173) (U.S. Department of Education)</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>318</th>
<th>Reserved for Future State Definition</th>
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<tbody>
<tr>
<td></td>
<td>This fund classification is reserved for future state designation and is not to be used by the school district.</td>
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<thead>
<tr>
<th>319</th>
<th>Shared Services Arrangements - IDEA - Part D, Personnel Training</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for programs related to the training and preparation of school personnel who provide educational services to students with disabilities. (84.029) (U.S. Department of Education)</td>
</tr>
</tbody>
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<thead>
<tr>
<th>320 - 324</th>
<th>Reserved for Future State Definition</th>
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<tbody>
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<td></td>
<td>These fund classifications are reserved for future state designation and are not to be used by the school district.</td>
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<thead>
<tr>
<th>325</th>
<th>Shared Services Arrangements - Substance Abuse Prevention and Treatment Block Grant - Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted through the Texas Commission on Alcohol and Drug Abuse for intervention services for youth up to age 18. (TCADA code YIN) (93.959) (U.S. Department of Health and Human Services)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>326</th>
<th>Shared Services Arrangements - ESEA Title IV, Part A - Safe and Drug-Free Schools and Communities Act</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted</td>
</tr>
</tbody>
</table>
through the Office of the Governor, Criminal Justice Division, for prevention/intervention services for youth (up to age 18), including DARE. This grant is funded by P.L. 103-382. (CJD code ED) (84.186A) (U.S. Department of Education)

327

**Shared Services Arrangements - Substance Abuse Prevention and Treatment Block Grant - Females**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted through the Texas Commission on Alcohol and Drug Abuse for intervention services for females under the age of 18. (TCADA code YPF) (93.959) (U.S. Department of Health and Human Services)

328

**Shared Services Arrangements - Substance Abuse Prevention and Treatment Block Grant - Prevention**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted through the Texas Commission on Alcohol and Drug Abuse for prevention services for youth. (TCADA code YPP) (93.959) (U.S. Department of Health and Human Services)

329

**Shared Services Arrangements - Summer Feeding Program, Texas Health and Human Services Commission (HHSC)**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds received from the Texas Department of Human Services that are awarded based on the average number of daily participants. (10.559)

330

**Shared Services Arrangements - Career and Technical - Technical Preparation**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide a combined secondary and postsecondary program (grade 9 through high school and two years of postsecondary) of technical skills in the areas of:

- Engineering
- Science
- Mechanical, industrial or practical arts or trades
- Agriculture
- Health
- Business

(84.243A) (U.S. Department of Education)

**R 331 Shared Services Arrangements - Career and Technical - Basic Grant**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas.

(84.048) (U.S. Department of Education)

**R 332 Shared Services Arrangements - Career and Technical - Single Parent**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide marketable skills through programs, services and activities (includes dependent care and transportation) for individuals who are single parents, displaced homemakers or single pregnant women.

(84.048A) (U.S. Department of Education)

**R 333 Shared Services Arrangements - Career and Technical - Sex Equity**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for programs, services (including preparatory services and support services, comprehensive career guidance and counseling) and
activities to eliminate sex bias and stereotyping in Career and Technical education. (84.048A) (U.S. Department of Education)

R 334  Shared Services Arrangements - Career and Technical - Curriculum Development

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to develop, disseminate and field test curriculum. This especially includes curriculum that integrates vocational and academic methodologies and provides a coherent sequence of courses through which academic and occupational skills may be measured. (84.048A) (U.S. Department of Education)

R 335  Shared Services Arrangements - Career and Technical - Professional Development

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds used for Career and Technical education teachers and academic teachers working with Career and Technical education students. The personnel included are corrections educators and counselors, and educators and counselors in community-based organizations. Services include in-service and pre-service training of teachers in state-of-the-art programs and techniques, such as integration of vocational and academic curriculum, with particular emphasis on training minority teachers. (84.048A) (U.S. Department of Education)

R 336  Shared Services Arrangements - Career and Technical - Community Based Organization

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for joint projects of eligible recipients and community-based organizations that provide special Career and Technical education services and activities. (84.174A) (U.S. Department of Education)
Shared Services Arrangements - Career and Technical - Apprenticeship

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for work-site programs such as:

- Cooperative training
- Internships
- Joint programs
- Services and activities with community-based organizations, work study and apprenticeship programs (84.048A) (U.S. Department of Education)

Shared Services Arrangements - Career and Technical - Quality Work Force

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for the operation of a Quality Work Force Planning Committee (partnership between educators and employers). (84.048A) (U.S. Department of Education)

Shared Services Arrangements - Career and Technical - Other Program Improvement

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for Career and Technical used for other program improvement activities such as assessment and promotion of partnerships among:

- Business
- Education
- Industry
- Labor
- Community-based organizations

- Governmental agencies

- Supplemental Federal Grant to States for Facilities, Equipment and Other Program Improvements (Title III, Part F) (84.253A) (U.S. Department of Education)

340 Shared Services Arrangements - IDEA, Part C, Early Intervention (Deaf)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, ages birth through two years of age. The program provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher. This grant is funded by P.L. 101-119. (84.181A) (U.S. Department of Education)

341 Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

342 Shared Services Arrangements - Title II, Part A - Teacher and Principal Training and Recruiting

This fund classification is to be used by the fiscal agent of a shared services arrangement to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement. (P.L. 107-110) (84.367A) (U.S. Department of Education)

343 Shared Services Arrangements - ESEA Title I, Part F - Comprehensive School Reform

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to develop comprehensive school reforms, based on reliable research
and effective practices and including an emphasis on basic academics and parental involvement. This program is authorized under P.L. 107-110 (84.010B) (U.S. Department of Education)

344 - 346  Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

\[347\]  
**Shared Services Arrangements - ESEA, Title VI, Part B, Subpart 2 – Rural and Low-Income School Program**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds allocated to local educational agencies to enable them to address the unique needs of rural school districts. This program is authorized under P.L. 107-110 (84.358B) (U.S. Department of Education).

\[348\]  
**Shared Services Arrangements - Reading First**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3 (P. L. 107-110, Title I, Part B, Subpart 1) (84.357) (U.S. Department of Education).

\[349\]  
**Shared Services Arrangements – Title II, Part D, Subpart 1 - Enhancing Education Through Technology**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P. L. 107-110, Title II, Part D, Subpart 1) (84.318A)(U.S. Department of Education).
350  Shared Services Arrangements - Title III, Part A - English Language Acquisition and Language Enhancement

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards (P. L. 107-110, Title III, Part A, Subpart 1) (84.365A) (U.S. Department of Education).

351  Shared Services Arrangements - Community Service Grant Program

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to carry out programs under which students expelled or suspended from school are required to perform community service (P. L. 107-110, Title IV, Part A, Subpart 2) (84.184c) (U.S. Department of Education).

352  Shared Services Arrangements - 21st Century Community Learning Centers

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students (P. L. 107-110, Title IV, Part B) (84.287) (U.S. Department of Education).

353  Reserved for Future State Definition

This fund classification is reserved for future state designation and is not to be used by the school district.

354  Shared Services Arrangements - Improving Academic Achievement (Grants for State Assessments and Related Activities)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to increase educational achievement through the development and
administration of state assessments and standards and through professional development aligned with student standards and assessments (P. L. 107-110, Title VI, Part A, Subpart 1, Section 6111) (84.369) (U.S. Department of Education).

R355 Shared Services Arrangements - Improving Academic Achievement (Grants for Enhanced Assessment Instruments)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to increase educational achievement through the development and administration of state assessments and standards and through professional development aligned with student standards and assessments (P. L. 107-110, Title VI, Part A, Subpart 1, Section 6112) (84.368) (U.S. Department of Education).

R356 Shared Services Arrangements - Title V, Part A - Innovative Programs

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to implement or expand innovative assistance programs to improve student, teacher, and school performance through a variety of local reform and improvement activities. This grant is funded by P.L. 107-110 (84.298) (U.S. Department of Education).

Any funds from Title VI, Innovative Education Program Strategies (fund code 324) will roll forward into this code.

R357 Shared Services Arrangements - Mathematics and Science Partnerships (Effective fiscal year 2008/09)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to eligible partnerships to improve the academic achievement of students in mathematics and science by providing professional development to improve teaching and by recruiting math, engineering, and science majors to teaching. This grant is authorized under Title II, Part B of the No Child Left Behind Act, P. L. 107-110. (84.336B) (U.S. Department of Education)
**R358 Shared Services Arrangements - Title I SIP Academy Grant (Effective fiscal year 2008/09)**

This fund is only to be used by the fiscal agent of a shared services arrangement. Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P. L. 107-110. (84.377A) (U.S. Department of Education) This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners.

**R359 Shared Services Arrangements -- ESEA, Title I, Part A – Improving Basic Programs – ARRA (Stimulus) (Effective fiscal year 2008/2009)**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110. (84.389) (U.S. Department of Education) (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).

Note: This fund code is also used for ESEA Title I Part D, Subpart 2 – LEA programs with locally operated correctional facilities and Title I – School Improvement Program.

**R360 Shared Services Arrangements -- Title I SIP Academy Grant – ARRA (Stimulus) (Effective fiscal year 2008/2009)**

This fund classification is to be used by the fiscal agent of a shared services arrangement. Section 1003(g) of Title I of the NCLB Act authorizes funds to help TEA and LEAs address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In conjunction with the Title I School Improvement Program
funds under section 1003(a), SIP Academy grants are to be used to leverage change and improve technical assistance under sections 1116 and 1117 of Title I, Part A through TEA’s and LEAs’ targeting activities towards measurable outcomes as required by USDE. Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement. The School Improvement Fund, appropriated by Congress for the first time for 2007-08, is authorized under Title I Section 1003(g) of the No Child Left Behind Act, P.L. 107-110. (84.388) (U.S. Department of Education) This grant has been named the “SIP Academy” grant in Texas by the state Title I Committee of Practitioners. (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII).

R361 Shared Services Arrangements -- Title II, Part D, Subpart 1 – Enhancing Education through Technology – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement (P.L. 107-110, Title II, Part D, Subpart 1) (84.386) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

362-363 Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

R364 Shared Services Arrangements -- IDEA - Part B, Formula– ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) subgrants. (84.391) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

R365 Shared Services Arrangements -- IDEA - Part B, Preschool – ARRA (Stimulus) (Effective fiscal year 2008/2009)
This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for preschool children with disabilities. This grant is funded by P.L. 105-17. (84.392) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

**366** Shared Services Arrangements -- ARRA of 2009, Title XIV, State Fiscal Stabilization Fund (Effective fiscal year 2008/2009)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to improve basic programs authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001; the Individuals with Disabilities Education Act (IDEA); the Adult and Family Literacy Act; the Carl D. Perkins and Technical Education Act of 2006, or for the modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system. (84.394) This grant is funded by the American Recovery and Reinvestment Act (ARRA) of 2009, Title XIV.

**367** Shared Services Arrangements -- ESEA, Title X, Part C –Education for the Homeless Children and Youth – ARRA (Stimulus) (Effective fiscal year 2008/2009)

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This grant is funded by P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C. (84.387) (U.S. Department of Education). (American Recovery and Reinvestment Act (ARRA) of 2009, Title VIII)

**368-378** Federally Funded Shared Services Arrangements - Locally Defined (Convert to Fund 379 for PEIMS)

These fund classifications are used, at the option of the fiscal agent of a shared services arrangement to account, on a project basis, for federally funded shared services arrangements not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Fund 379.
### 379 Federally Funded Shared Services Arrangements

This fund classification is to be used by the fiscal agent of a shared services arrangement to account for federally funded shared services arrangements not listed elsewhere. Any locally defined codes that are used at the local option are to be converted to Fund 379 for PEIMS reporting.

### 380 SPECIAL REVENUE FUNDS (STATE PROGRAMS)

State programs that are used by school districts and education service centers not acting as a fiscal agent for a shared services arrangement are designated by Fund Codes 381 through 429. This includes any funds sent by the fiscal agent to the member school district for use by that school district.

### 381 Adult Basic Education (ABE) - State

This fund classification is to be used to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults 16 and above, who do not have a high school diploma and are out of school. Funds can be used for same purposes as federal adult education funds.

### 382 Temporary Assistance for Needy Families (TANF) - State §29.252

This fund classification is to be used to account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic educational skills (reading, writing, speaking and mathematics), English as Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. Funded under TEC §29.252.
\textbf{R 383} Professional Staff Development

This fund classification is to be used to account, on a project basis, for funds used to provide preservice and staff development training in technology and innovative teaching practices for teachers and administrators. Public schools and ESCs may serve as fiscal agents for the establishment of a center for professional development (funded under TEC 21.047) under the direction of an institution of higher education or may receive funds directly to provide training and staff development in technology and innovative teaching practices.

\textbf{R 384} Texas After School Initiative

This fund classification is to be used to account, on a project basis, for funds granted to implement quality after-school programs serving students of middle school age.

\textbf{R 385} State Supplemental Visually Impaired (SSVI)

This fund classification is to be used to account for State Supplemental Visually Impaired funds. This fund is to be used by single school districts, on a project basis, to account for any of these funds received from the ESC or district fiscal agent of a shared services arrangement.

\textbf{R 386} Regional Day School for the Deaf

This fund classification is to be used to account, on a project basis, for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

\textbf{R 387} Quality Work Force Planning - State

This fund classification is to be used to account, on a project basis, for funds for the benefit of a quality work force planning committee.
\( R \) 388  **Innovative Education Grants**

This fund classification is to be used to account, on a project basis, for grants awarded to campuses for innovative programs. These grants are funded by the Public Education Development Fund.

\( R \) 389  **Master Mathematics Teacher**

This fund classification is to be used to account, on a project basis, for stipends to school districts with Master Mathematics teachers who are certified according to the provisions in TEC 21.0482.

\( R \) 390  **Early Childhood Limited English Proficient (LEP) Summer Program**

This fund classification is to be used to account, on a project basis, for funds for summer school programs for LEP students only if a bilingual program is part of the standard curriculum. Monies may be used to fund both required summer school and voluntary summer school for LEP students. (TEC 29.058)

\( R \) 391  **Year Round Schools Incentive**

This fund classification is to be used to account, on a project basis, for noncompetitive awards for year round schools.

\( R \) 392  **Noneducational Community-Based Support**

This fund classification is to be used to account, on a project basis, for the provision of noneducational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of these services. The support services may include transportation, respite for the parents, case management, social work, in-home family support and other items. (TEC 29.013)
**393 Texas Successful Schools Program**

This fund classification is to be used to account, on a project basis, for grant monies applied for by school districts after being notified by TEA of their eligibility based on Academic Excellence Indicator System (AEIS) criteria. (TEC 39.091)

**394 Life Skills Program**

This fund classification is to be used to account, on a project basis, for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion. (TEC 29.085)

**395 Comprehensive Developmental Guidance Program on Elementary Campuses for Students in At-Risk Situations Program**

This fund classification is to be used to account, on a project basis, for funds granted for the planning, implementation and evaluation of comprehensive, developmental guidance and counseling programs on elementary school campuses with high concentrations of students in at-risk situations. The objectives of this project are to:

- Provide appropriate counseling and guidance for the changing social, emotional and academic needs of students
- Provide direct services to students to help them manage academic and social needs
- Support the efforts of teachers and parents in promoting the students’ self-esteem, academic readiness, social and interpersonal sensitivity and skills and awareness of academic and future career opportunities.

(TEC 33.005)

**396 Communities in Schools**

This fund classification is to be used to account, on a project basis, for funds granted for an in-school multi-disciplinary approach to
decreasing the dropout rate in the school district by increasing each participant’s chance of being successful in school.

**R 397 Advanced Placement Incentives**

This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

**R 398 Children’s Trust Fund of Texas**

This fund classification is to be used to account, on a project basis, for funds granted by the private agency, Children’s Trust Fund of Texas. This agency encourages community support and the use of volunteers within the program.

**R 399 Investment Capital Funds/Campus Deregulation and Restructuring to Improve Student Achievement**

This fund classification is to be used to account, on a project basis, for funds to help individual public school campuses implement practices and procedures consistent with school deregulation and school restructuring to improve student achievement and increase parental involvement in the schools through staff development and training under the Investment Capital Funds. (TEC 7.024)

**R 400 School Health (Education Service Centers Only)**

This fund classification is to be used to account, on a project basis, for funds to operate a program of comprehensive school health services to schools.

**R 401 State-Funded Optional Extended-Year Program**

This fund classification is to be used to account, on a project basis, for funds received for extended-year programs funded under §29.082 TEC.
<table>
<thead>
<tr>
<th>Code</th>
<th>Program Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R 402</td>
<td>Texas Ready to Read Program</td>
<td>This fund classification is to be used to account, on a project basis, for funds granted to provide preschool programs to provide scientific, research-based, pre-reading instruction, with the goal of improving pre-reading skills of three- and four-year old students.</td>
</tr>
<tr>
<td>R 403</td>
<td>Certification (Education Service Centers Only)</td>
<td>This fund classification is to be used to account, on a project basis, for funds to operate a program of regional certification of officers.</td>
</tr>
<tr>
<td>R 404</td>
<td>Student Success Initiative</td>
<td>This fund classification is to be used to account, on a project basis, for funds granted for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.</td>
</tr>
<tr>
<td>R 405</td>
<td>Gifted and Talented (Education Service Centers Only)</td>
<td>This fund classification is to be used to account, on a project basis, for funds to operate a program of support for school district efforts in the area of gifted and talented education.</td>
</tr>
<tr>
<td>R 406</td>
<td>Teacher Recruitment (Education Service Centers Only)</td>
<td>This fund classification is to be used to account, on a project basis, for funds to operate a program of teacher recruitment.</td>
</tr>
<tr>
<td>R 407</td>
<td>Bilingual Education (Education Service Centers Only)</td>
<td>This fund classification is to be used to account, on a project basis, for funds to operate a program of support for school district efforts in the area of bilingual education/ESL.</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>408</td>
<td>Technology (Education Service Centers Only)</td>
<td>This fund classification is to be used to account, on a project basis, for funds to operate a program of support for school district efforts in the area of technology.</td>
</tr>
<tr>
<td>409</td>
<td>High School Completion and Success/Texas High School Project</td>
<td>This fund classification is to be used to account, on a project basis, for funds granted for schools to implement programs to support the improvement of high school graduation rates and post-secondary readiness.</td>
</tr>
<tr>
<td>410</td>
<td>State Textbook Fund</td>
<td>This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment (see 411 Technology Allotment). (TEC Chapter 31, Subchapter B)</td>
</tr>
<tr>
<td>411</td>
<td>Technology Allotment</td>
<td>This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials. (TEC Chapter 32, Subchapter A)</td>
</tr>
<tr>
<td>412</td>
<td>Public School Child Care Services</td>
<td>This fund classification is to be used to account, on a project basis, for funds awarded to school districts for child care service for school-age children. (TEC 33.902)</td>
</tr>
<tr>
<td>413</td>
<td>Telecommunication Infrastructure Fund</td>
<td>This fund classification is to be used to account, on a project basis, for funds awarded by the Telecommunication Infrastructure Board.</td>
</tr>
</tbody>
</table>
R 414 Texas Reading Initiative/Texas Reading, Math and Science Initiative

This fund classification is to be used to account, on a project basis, for funds granted to improve student achievement in reading, math, and science through the provision of materials, professional development, student instructional programs, and other related activities.

R 415 Kindergarten and Prekindergarten Grants

This fund classification is to be used to account, on a project basis, for funds granted to implement or expand kindergarten or prekindergarten programs not required under TEC 29.153.

R 416 State Head Start

This fund classification is to be used to account, on a project basis, for funds granted to provide an educational component to federal Head Start programs or similar government-funded early childhood care and education programs.

R 417 Educational Technology (Ed Tech) Pilot

This fund classification is to be used to account, on a project basis, for funds granted to design, implement and administer pilot programs that explore the impact of delivering curriculum content via various technologies. TEC 32.035

R 418 Active Employee Health Insurance Coverage or Supplemental Compensation (Deleted Effective August 31, 2007)

This fund classification must be used to account for revenues that are legally restricted to the TRS supplemental compensation under Article 3.50-8, Insurance Code, and the expenditure of the TRS supplemental compensation. The payment of the TRS supplemental compensation amount to an eligible employee is not reported by the district to the TRS in the covered aggregate annual compensation amount for the employee that is being reported for retirement benefit contribution purposes. If at the end of the fiscal year, funds received are less than the TRS supplemental compensation amount expended, then an entry will be recorded to “due from state.” If at the end of the
fiscal year, funds received are more than the TRS supplemental compensation amount expended, then an entry will be recorded to “due to state.” The fund balance of this fund is zero at the end of the district’s fiscal year.

The district is responsible for employer-paid payroll taxes that are attributed to the TRS supplemental compensation amount, including Medicare, Unemployment Compensation, and Workers Compensation, and in some instances, Social Security (in accordance with the district’s agreement with the federal government to participate as an entity in the Social Security program for all or certain classes of eligible employees). All employer-paid payroll taxes expended from this fund must be reimbursed from other funds, including the General Fund, other Special Revenue Funds (within the designated purpose projects’ budgetary authority and if payroll-related costs are included in allowable cost provisions) and other funds, as applicable. See Appendix 7 for accounting entries for reimbursing fund code 418 under interfund transactions. As a second option for situations wherein accounting systems do not efficiently facilitate a direct charge to other funds for the employer-paid payroll taxes attributed to the TRS supplemental compensation, the district is to record an Operating Transfer Out (object code 8911) in the General Fund (or other appropriate fund) and record an Operating Transfer In (object code 7915) under fund code 418 for the full amount of employer-paid payroll taxes recorded as an expenditure in fund code 418.

### R 419 Head Start-Ready to Read/Early Childhood School Readiness

This fund classification is to be used to account, on a project basis, for funds granted to preschool programs to provide scientific, research-based, pre-reading instruction for three-and four-year old children.

### 420 Reserved for Future State Definition

This classification is reserved for future state designation and is not to be used by the school district.

### R 421 Master Reading Teacher

This fund classification is to be used to account, on a project basis, for stipends to school districts with Master Reading teachers who are certified according to the provisions in TEC 21.0481.
\textbf{R422} \textbf{Matching Funds for Library Purchases}

This fund classification is to be used to account, on a project basis, for matching funds received by the district for expenditures for books and other school library materials that are catalogued and circulated from a central source in each school building. The Texas Education Agency provides a 30\% match for each dollar expended, not to exceed one dollar expended per student enrolled, in each year of the biennium, to be used for the purchase of library books and other library materials.

\textbf{R423} \textbf{Limited English Proficient (LEP) Student Success Initiative (Effective fiscal year 2008/09)}

This fund classification is to be used to account, on a project basis, for funds granted to schools to provide intensive programs of instruction for limited English-proficient (LEP) students and teacher training resources specific to instruction of LEP students. [TEC 39.024(d) and (e)]

\textbf{R424} \textbf{School Leadership Pilot Program (Effective fiscal year 2008/09)}

This fund classification is to be used to account, on a project basis, for funds granted to develop and implement a school leadership pilot program for principals. [TEC 11.203]

\textbf{R425} \textbf{Teacher Induction and Mentoring Program (Effective fiscal year 2008/09)}

This fund classification is to be used to account, on a project basis, for funds granted to schools that assign mentor teachers to classroom teachers who have less than two years of teaching experience. [TEC 21.458]

\textbf{R426} \textbf{Texas Educator Excellence Award Grant Program (Effective fiscal year 2008/09)}

This fund classification is to be used to account, on a project basis, for funds granted to schools which have an approved campus incentive plan to award teachers and other school staff for improving student achievement. [TEC Chapter 21, Subchapter N, Awards for Student Achievement]
State Funded Special Revenue Funds - Locally Defined (Convert to Fund 429 for PEIMS)

This fund classification is to be used to account, on a project basis, for funds that are received from the state that are not listed elsewhere. For PEIMS reporting, this fund converts to Fund 429.

High School Allotment (Effective fiscal year 2007/08 for actual; 2006/07 for budget)

This fund classification is to be used to account for the $275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12. If the district meets certain college readiness and completion rate standards, there are less restrictions on how the funds are spent—see TEC 39.234.

This amount is not paid separately, but is combined with other Foundation School Program funds. The breakdown of the amount is provided on the Summary of Finance for journal entry purposes.

See the High School Allotment section of the HB1 implementation page for general information and a link to TAC 61 for rules on high school allotment.

This fund may be used through fiscal year 2009/10 to record any remaining fund balance at the end of fiscal year 2008/09; however, after that point it should be coded to fund 199 and program intent code 31 to align with the movement to Tier I funding beginning with fiscal year 2009-10.

State Funded Special Revenue Funds

State funded special revenue funds not listed above are to be accounted for in this fund. Any locally defined codes that are used at the local option are to be converted to fund 429 for PEIMS reporting.
SHARED SERVICES ARRANGEMENTS - STATE/LOCAL FUNDED

The special revenue funds listed below (Fund Codes 431 through 459) are used to account for state/local funds held by a fiscal agent school district or regional education service center that either (1) provides and pays for all services to member districts; (2) provides and pays for some services to member districts and sends a portion of the grant to each member district to expend; (3) receives funds from member districts to expend on shared personnel, etc.; or, (4) sends all of the grant to member districts to expend.

Amounts sent by the fiscal agent to shared services arrangement member school districts are reported by those school districts as revenues and expenditures of the Special Revenue Fund in the appropriate fund (Fund Codes 381 through 429). Federally funded shared services arrangements are accounted for in the same manner as grants in the Special Revenue Fund. At the end of each fiscal year, the fiscal agent is responsible for submitting financial data, by member district, through the Public Education Information Management System (PEIMS) in a special record for shared services arrangements.

R 431  Shared Services Arrangements - Adult Education - State / Educational Technology (Ed Tech) Pilot

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide or support programs for adult education and literacy services to adults age 16 and above who do not have a high school diploma and are out of school. Funds can be used for same purposes as federal adult education funds.

R 432  Shared Services Arrangements - Temporary Assistance for Needy Families (TANF) - State, TEC §29.252

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF). Recipients of benefits are required to participate in adult basic education or job training programs as a condition of eligibility. Educational services include basic
educational skills (reading, writing, speaking and mathematics), English as a Second Language instruction and secondary level competencies for acquisition of a high school diploma or its equivalent. Funded under TEC §29.252.

**Shared Services Arrangements - Professional Staff Development**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds used to provide preservice and staff development training in technology and innovative teaching practices for teachers and administrators. Public schools and ESCs may serve as fiscal agents for the establishment of a center for professional development (funded under TEC 21.047) under the direction of an institution of higher education or may receive funds directly to provide training and staff development in technology and innovative teaching practices.

**Shared Services Arrangements - State Supplemental Visually Impaired (SSVI)**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for State Supplemental Visually Impaired (SSVI) funds.

**Shared Services Arrangements - Regional Day School for the Deaf**

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.
Shared Services Arrangements - Quality Work Force Planning - State

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds for the benefit of a quality work force planning committee.

Shared Services Arrangements - Special Education

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds for special education, other than regional day school for the deaf and State Supplemental Visually Impaired (SSVI).

Shared Services Arrangements - Public School Child Care Services

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds awarded to school districts for child care service for school-age children. (TEC 33.902)

Shared Services Arrangements - Texas Reading Initiative/Texas Reading, Math and Science Initiative

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds awarded to school districts for the implementation of scientific research-based programs, including the purchase of instructional or diagnostic reading materials, instructional staff, and professional staff development of educators.

Shared Services Arrangements - Telecommunication Infrastructure Fund

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds awarded by the Telecommunication Infrastructure Board.
441  Shared Services Arrangements – Head Start-Ready to Read/Early Childhood School Readiness

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to preschool programs to provide scientific, research-based, pre-reading instruction for three-and four-year old children.

442  Shared Services Arrangements – Limited English Proficient (LEP) Student Success Initiative

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds granted to schools to provide intensive programs of instruction for limited English-proficient (LEP) students and teacher training resources specific to instruction of LEP students. [TEC 39.024(d) and (e)]

443-445  Reserved For Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

446-458  State/Local Funded Shared Services Arrangements - Locally Defined (Convert to Fund 459 for PEIMS)

These fund classifications are used, at the option of the school district, for state/local funded shared services arrangements not specifically defined elsewhere. For PEIMS reporting, these funds are to be converted to Fund 459.

459  Shared Services Arrangements - State/Local Funded Educational Programs (includes local/state supplement to federal)

State/local funded shared services arrangements not listed above are to be shown in this fund. Any locally defined codes that are used at the local option are to be converted to fund 459 for PEIMS reporting.

460  SPECIAL REVENUE FUNDS (LOCAL PROGRAMS)

Fund Codes 461 through 499 are to be used to account for local programs such as campus activity funds or grants from local
businesses or organizations that require that the funds be expended for a specific purpose.

\textbf{\underline{R} 461 Campus Activity Funds (see Fund 865 for Student Activity Funds)}

This fund classification is to be used to account for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the school district’s board of trustees into the General Fund. Gross revenues from sales are recorded in revenue object code 5755. The cost of goods sold is recorded in Function 36, using the appropriate expenditure object code.

\textbf{462-469 Reserved for Future State Definition}

These fund classifications are reserved for future state designation and are not to be used by the school district.

\textbf{470-471 Reserved for Future State Definition – Permanent Funds}

These fund classifications are reserved for future state designation and are not to be used by the school district.

\textbf{472-478 Permanent Funds - Locally Defined (Convert to Fund 499 for PEIMS)}

These fund classifications are used, at the option of the school district to classify permanent funds not defined elsewhere. For PEIMS reporting, these funds convert to Fund 479.

\textbf{\underline{R} 479 Permanent Fund}

This fund classification is to be used to account for transactions related to resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting organization’s programs (Permanent funds do not include private-purpose trust funds). This fund code (accounted for on a modified-acrual basis) is effective September 1, 2001, for certain transactions that were accounted for as nonexpendable trust funds on a full-acrual basis prior to implementation of GASB
Statement 34 reporting standards, such as a legal trust benefiting the acquisition of library books from interest proceeds of an investment fund.

480-498 Locally Funded Special Revenue Funds - Locally Defined (Convert to Fund 499 for PEIMS)

These fund classifications are used, at the option of the school district to classify locally funded special revenue funds such as grants by corporations to specific campuses not defined elsewhere. For PEIMS reporting, these funds convert to Fund 499.

499 Locally Funded Special Revenue Funds

Locally funded special revenue funds not listed above are to be accounted for in this fund (effective September 1, 2001, this fund classification is also to be used for transactions that were accounted for as expendable trust funds prior to implementation of GASB Statement 34 reporting standards). Any locally defined codes that are used at the local option are to be converted to Fund 499 for PEIMS reporting.

500 DEBT SERVICE FUNDS

A debt service fund is a governmental fund, with budgetary control, that must be used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax has been dedicated. A separate bank account must be kept for this fund. Principal and interest payments for operating indebtedness including warrants, notes, and short-term lease-purchase agreements, are to be made from the fund for which the debt was incurred. This fund utilizes the modified accrual basis of accounting.

501-510 Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.
Debt Service Funds - Locally Defined (Convert to Fund 599 for PEIMS)

These fund classifications are used, at the option of the school district, to account for specific debt services. For PEIMS reporting, these accounts are converted to Fund 599.

Debt Service Funds

This fund classification is used to combine all debt service funds for reporting. School districts are encouraged to use locally defined debt service funds (Fund Codes 511-598) to provide separate accountability for each type or issue of debt and convert these accounts to Fund 599 for PEIMS reporting. This fund classification is also used to record transactions involving the FSP instructional facilities allotment for bonded indebtedness (voter approved debt) related purposes (Fund Code 199, General Fund, is used to record transactions involving the instructional facilities allotment for lease-purchase related purposes).

CAPITAL PROJECTS FUNDS

A capital projects fund is a governmental fund that must be used to account, on a project basis, for projects financed by the proceeds from bond issues, or for capital projects otherwise mandated to be accounted for in this fund. The capital projects fund utilizes the modified accrual basis of accounting.

Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

Capital Projects Funds - Locally Defined (Convert to Fund 699 for PEIMS)

These fund classifications are used, at the option of the school district, to classify capital projects on a project-by-project basis. For PEIMS reporting, these accounts are converted to Fund 699.
699 Capital Projects Funds

This fund classification is used to combine all capital projects funds for reporting. It is recommended that each capital project be recorded in a locally defined fund (Fund Codes 616 through 698) and converted to Fund 699 for PEIMS reporting.

700-799 PROPRIETARY FUND TYPES

These types of funds are used to account for a school district’s ongoing organizations and activities where net income and capital maintenance are measured. All related assets, liabilities, equities, revenues, expenses, non-operating revenues and expenses, and transfers are accounted for through the fund affected. Generally accepted accounting principles that apply to similar businesses in the private sector are applicable to proprietary type funds, as net income and financial position are to be determined. These funds utilize the accrual basis of accounting.

There are two proprietary fund types, enterprise funds and internal service funds.

A budget is not required to be approved by the school district’s Board of Trustees for proprietary fund types except for a child nutrition program accounted for under Fund 701. Fund 701 is the only proprietary fund type to be reported to the state through PEIMS.

700-749 ENTERPRISE FUNDS

An enterprise fund is a proprietary fund type accounted for on the accrual basis and not required to be budgeted. The exception is for child nutrition operations accounted for in an enterprise fund in accordance with generally accepted accounting principles for which a budget is to be submitted to the state through PEIMS. Generally accepted accounting principles of the private sector are applicable, as financial position, results of operations and cash flows are to be determined.
Expenses of an enterprise operation, including depreciation, are generally intended to be financed or recovered primarily through user charges rather than from government grants or subsidies.

An example of an operation to be accounted for in the Enterprise Fund is a school district-owned concession stand that serves the general public at school sponsored events, and the primary intent of operations is to realize a profit as a result of sales.

Fund Codes 701-749 are used to account for enterprise funds.

\[ 701 \] Enterprise Fund - National School Breakfast and Lunch Program (Report Budget and Actual Expenditures through PEIMS)

This fund classification is to be used to account for budgeted food service operations. This fund is used when a school district intends for the food service operations to be financed from the NSLP program and user charges, rather than from general fund subsidies. Summer feeding programs funded by the Department of Human Services (DHS) are Special Revenue funds and should be accounted for in Fund 242. (10.553, breakfast; 10.555, lunch)

\[ 702-710 \] Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

\[ 711-748 \] Enterprise Funds - Locally Defined (Not Reported to PEIMS—Convert to 749 for PEIMS Payroll Reporting Only)

These fund classifications are used, at the option of the school district, to account for enterprise funds not defined elsewhere.

\[ 749 \] Enterprise Funds (Only Reported to Payroll Record in PEIMS)

This fund classification is used to classify enterprise funds not defined elsewhere.
INTERNAL SERVICE FUNDS

Internal service funds are a proprietary fund accounted for on the accrual basis. No budget is required for internal service funds. These funds are not required to be reported in data submitted through PEIMS to TEA except the payroll data. Internal service funds apply the same generally accepted accounting principles as the Enterprise Fund.

This fund type may be used to account for the financing of goods or services provided by one organizational unit of the school district to other organizational units of the school district, or to other local education agencies or governmental units, on a cost reimbursement basis. An example of an internal service fund is a school district-operated print shop.

School districts may, at their option, utilize local detail codes to further account for internal services.

According to Governmental Accounting Standards Board Statement No. 10, public entity risk pools are required to be accounted for in the Internal Service Fund. A public entity risk pool is a shared services arrangement group of governmental entities joined together to finance an exposure, liability, or risk, such as employee health care, general liability, unemployment compensation and workers’ compensation. Fund Codes 751 through 799 are used to account for internal service funds.

R 751 Transportation (Not Reported to PEIMS)

This fund classification is used to account for transactions related to transportation services provided to other organizational units of the school district or to other school districts or governmental units on a cost-reimbursement basis. (This fund is used at the option of the school district to facilitate allocation of these costs to other accounts.)

R 752 Print Shop (Not Reported to PEIMS)

This fund classification is used to account for transactions related to print shop services provided to other organizational units of the school district or to other school districts or governmental units on a
cost-reimbursement basis. (This fund is used at the option of the school district to facilitate allocation of these costs to other accounts.)

**R 753  Insurance (Not Reported to PEIMS)**

This fund classification is used to account for transactions related to self-insurance activities of the school district. (This fund is used at the option of the school district to facilitate allocation of these costs to other accounts.) School districts are to use distinct locally-defined numbers where necessary to maintain separate accountability for each self-insurance program.

**R 754  Computer Operations (Not Reported to PEIMS)**

This fund classification is used to account for transactions related to computer services provided to other organizational units of the school district or to other school districts or governmental units on a cost-reimbursement basis. (This fund is used at the option of the school district to facilitate allocation of these costs to other accounts.)

**R 755  Public Entity Risk Pool (Not Reported to PEIMS)**

This fund classification is used to account for transactions related to a public entity risk pool. Public entity risk pools are required to be accounted for in the Internal Service Fund. A public entity risk pool is a shared services arrangement group of governmental entities joined together to finance an exposure, liability, or risk, such as employee health care, general liability, unemployment compensation and workers’ compensation. If a school district is fiscal agent for more than one type of risk pool, locally defined funds may be used to provide appropriate accounting.

**756-769  Reserved for Future State Definition**

These fund classifications are reserved for future state designation and are not to be used by the school district.
770-798 Internal Service Funds - Locally Defined (Not Reported to PEIMS)

These fund classifications are used, at the option of the school district, to classify internal service funds not defined elsewhere.

799 Internal Service Funds (Not Reported to PEIMS)

This fund is used to account for internal funds not specified elsewhere.

800 - 899 FIDUCIARY FUND TYPES And Similar Component Units

This group of funds is used to account for assets held by a school district in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. This fund type consists of pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. It should be noted that substantially all Texas school districts provide benefits through the Teacher Retirement System of Texas and do not provide benefits through a local pension trust fund.

800 TRUST FUNDS

These fiduciary funds are accounted for on the economic resources measurement focus and the accrual basis of accounting except for the recognition of certain liabilities of defined benefit pension plans and certain postemployment healthcare plans (refer to GASB 25 and 26 for guidance on recognition of these liabilities). Trust funds are not to be reported through PEIMS. Fund Codes 801 through 829 are used to account for private-purpose trust funds.

810 Private-purpose Trust Funds - Locally Defined (Not Reported to PEIMS)

These fiduciary funds are accounted for on the economic resources measurement focus and the accrual basis of accounting. Reporting activities focus on net assets and changes in net assets. Resources accounted for in this fund type include scholarship funds that are received by a school that are to be awarded to current and former students for post-secondary education purposes. Private-purpose trust
Funds are not reported through PEIMS. Fund Codes 801 through 829 are used to account for private purpose trust funds.

**811-815**  
Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

**816-828**  
Private-purpose Trust Funds - Locally Defined (Not Reported to PEIMS)

These fund classifications are used to account for locally defined private-purpose trust funds.

**829**  
Private-purpose Trust Funds (Not Reported to PEIMS)

This fund classification is used to account for private-purpose trust funds not defined elsewhere.

**830**  
Investment TRUST FUNDS

These fiduciary funds are accounted for on the economic resources measurement focus and the accrual basis of accounting. Reporting activities focus on net assets and changes in net assets. Investment trust funds are not reported through PEIMS. Fund Codes 831 through 849 are used to account for investment trust funds.

**831-835**  
Reserved for Future State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

**836-848**  
Investment Trust Funds - Locally Defined (Not Reported to PEIMS)

These fund classifications are used to account for locally defined investment trust funds.
849  Investment Trust Funds (Not Reported to PEIMS)

This fund classification is used to account for investment trust funds not defined elsewhere.

850  PENSION and Other Employee Benefit TRUST FUNDS

These funds are used to account for local pension and other employee benefit funds that are provided by a school district in lieu of or in addition to the Teacher Retirement System of Texas. Reporting activities focus on net assets and changes in net assets. Funds 851 through 859 are used to account for Pension And Other Employee Benefit Trust Funds.

851-858  Pension and Other Employee Benefit Trust Funds - Locally Defined (Not Reported to PEIMS)

These fund classifications are to be used for locally defined pension And Other Employee Benefit trust funds.

859  Pension and Other Employee Benefit Trust Funds (Not Reported to PEIMS)

This fund classification is used to account for pension and other employee benefit funds not specified elsewhere.

860  AGENCY FUNDS

These funds are accounted for on the economic resources measurement focus and the accrual basis of accounting. These funds are held in a custodial capacity by a school district, and they consist of funds that are the property of students or others. Agency funds do not involve measurement of results of operations, and they have no fund equity, because assets are equal to liabilities.

Examples of agency funds include class funds that are the property of the students. Locally raised revenues used for general operating purposes, such as certain principal’s activity accounts, are not agency funds, and are to be budgeted and accounted for in the Special Revenue Fund, or in some instances, in the General Fund.
Furthermore, deferred compensation funds are to be accounted for in the agency fund if the district serves as trustee of the plan. The agency funds are not to be reported through PEIMS. Fund Codes 861 through 899 are used to account for agency funds.

861 Agency Fund for Tax Collections (Not Reported to PEIMS)

This fund classification is used by a school district to account, on the economic resources measurement focus and the accrual basis, for taxes that are collected on behalf of another taxing unit, including Consolidated Taxing Districts. These funds are held in a custodial capacity by the collecting school district and may not be commingled with funds of the collecting school district.

862 Agency Fund for Textbook Waiver Refunds (Not Reported to PEIMS)

This fund classification is used as a clearing account for refunds received from the Texas Education Agency (TEA) due to waivers granted for textbooks.

863 Reserved for State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district. This fund code may continue to be used for payroll clearing account activities; however, these activities must be eliminated for reporting purposes.

864 Reserved for State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district. This fund code may continue to be used for accounts payable clearing account activities; however, these activities must be eliminated for reporting purposes.

865 Student Activity Account (Not Reported to PEIMS) (See Fund 461 for Campus Activity Funds)

This fund classification is used as an agency account for student “club” funds or “class” funds.
866-875 Reserved for State Definition

These fund classifications are reserved for future state designation and are not to be used by the school district.

876-898 Locally Defined Agency Funds (Not Reported to PEIMS)

These fund classifications are to be used for locally defined agency funds not listed above.

899 Agency Funds (Not Reported to PEIMS)

This fund classification is used to account for agency funds not specified elsewhere.

900 GENERAL CAPITAL ASSETS AND LONG-TERM DEBT

The purpose of these account codes is to record general capital assets and long-term debt involving governmental activities. See special instructions in Section 1.7 of the FAR concerning accounting and reporting requirements involving general capital assets and long-term debt relating to governmental activities, in accordance with GASB Statement No. 34.

901 General Capital Assets (Not Reported to PEIMS)

This code is used to account under an accrual basis of accounting for general capital assets not recorded in the Proprietary Fund Types or fiduciary funds. This account code is for specific pieces of property such as equipment, land and building as well as all associated costs. See special instructions in Section 1.7 of the FAR concerning accounting and reporting requirements involving general capital assets and long-term debt relating to governmental activities, in accordance with GASB Statement No. 34.
₧ 902  Long-Term Debt (Not Reported to PEIMS)

This code is used to account for debts of a non-current nature under an accrual basis of accounting. Long-term debts of Proprietary Fund types and fiduciary funds are accounted for through those fund types and are not included in this account code. See special instructions in Section 1.7 of the FAR concerning accounting and reporting requirements involving capital assets and long-term debt relating to governmental activities, in accordance with GASB Statement No. 34.
## 1.4.3 Function Codes

A function represents a general operational area in a school district and groups together related activities. Most school districts use all of the functions in the process of educating students or organizing the resources to educate students. For example, in order to provide the appropriate atmosphere for learning, school districts transport students to school, teach students, feed students and provide health services. Each of these activities is a function. The \( R \) by a function indicates that the function is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such funds are applicable to the school district.

### Exhibit 31. Function Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X X</td>
<td>X</td>
<td>X X X X</td>
<td>X X X X X X</td>
<td>X</td>
<td>X X X X</td>
<td>X</td>
<td>X X X X</td>
</tr>
</tbody>
</table>

**Major Details**
- Major Detail
- Account Classification

**Indicators**
- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
Functions are grouped according to related activities in the following major areas/classes:

10 Instruction and Instructional-Related Services
20 Instructional and School Leadership
30 Support Services - Student (Pupil)
40 Administrative Support Services
50 Support Services - Non-Student Based
60 Ancillary Services
70 Debt Service
80 Capital Outlay
90 Intergovernmental Charges

Each of these major areas is further defined by detail function codes. The R by a code indicates that the code is required for PEIMS reporting purposes if such costs are applicable to the school district.

10 Instruction and Instructional-Related Services

This function code series is used for expenditures/expenses that:

- Provide direct interaction between staff and students to achieve learning

- Provide staff members with the appropriate resources to achieve the appropriate student learning outcomes through either materials or development
Instruction

This function is used for activities that deal 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. It may also be provided through some other approved medium such as television, radio, telephone, telecommunications, multimedia and correspondence. This function includes expenditures / expenses for direct classroom instruction and other activities that deliver, enhance or direct the delivery of learning situations to students.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 11 - Costs to Include:</th>
<th>Function 11 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Salaries and related expenditures /expenses associated with:</td>
<td>● Salaries and related expenditures/expenses associated with:</td>
</tr>
<tr>
<td>● Classroom teachers</td>
<td>● Curriculum development (Function 13)</td>
</tr>
<tr>
<td>Function 11 - Costs to Include:</td>
<td>Function 11 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>• Teacher aides</td>
<td>• Salaries or salary supplements related to department heads (Function 13), curriculum writers (Function 13), program directors (Function 21)</td>
</tr>
<tr>
<td>• Classroom assistants</td>
<td>• School leadership costs such as principals, assistant principals and their staffs (Function 23)</td>
</tr>
<tr>
<td>• Graders</td>
<td>• Salaries and expenditures/expenses (including hardware/software maintenance) for PC networks that include student and general administrative software, license fees and serve multiple functions (Function 53)</td>
</tr>
<tr>
<td>• Staff working in the classroom on a dedicated basis</td>
<td>• Network managers for non-instructional computer networks (Function 53)</td>
</tr>
<tr>
<td>• Adult basic education teachers</td>
<td>• Management Information Services (MIS) directors (Function 53)</td>
</tr>
<tr>
<td>• Substitute teachers (ALL instructional substitutes effective 2008-09 fiscal year)</td>
<td>• Salaries and expenditures/expenses for webmaster (excluding costs attributable to instructional settings) (Function 53)</td>
</tr>
<tr>
<td>• Teachers that deliver instruction by television, satellite, etc.</td>
<td>• Salaries and expenditures/expenses for technology network, data, or system security (excluding costs attributable to instructional settings) (Function 53)</td>
</tr>
<tr>
<td>• TI-IN services provided by education service centers</td>
<td>• Salaries and expenditures/expenses information technology developer,</td>
</tr>
<tr>
<td>• Classes taught to students by education service centers</td>
<td></td>
</tr>
<tr>
<td>Function 11 - Costs to Include:</td>
<td>Function 11 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>• Band instruments purchased by the school district or donated by band boosters or other groups</td>
<td>programmer, tester, or systems analyst (excluding costs attributable to instructional settings) (Function 53)</td>
</tr>
<tr>
<td>• Instructional computer networks, software, licensing fees, maintenance, supplies, staff and instructional computer lab teacher</td>
<td>• Supplies and services for upkeep and maintenance of buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Network manager for instructional networks</td>
<td>• Tuition for students attending classes in another school district because the resident school district does not offer certain grade levels (Function 99)</td>
</tr>
<tr>
<td>• Technology coordinator for instructional networks</td>
<td>• Purchase of Weighted ADA (WADA) from either the state or other school districts according to Chapter 41 of the Texas Education Code (Function 91)</td>
</tr>
<tr>
<td>• Testing materials for tests developed and administered by teachers</td>
<td>• Testing materials for standardized tests (Function 31)</td>
</tr>
<tr>
<td>• Salaries for instruction, including that portion of the salary for the regular school day that is for teaching physical education (P.E. equivalent) courses for credit when athletic activities are being practiced or are taking place</td>
<td>• Band Uniforms (Function 36)</td>
</tr>
<tr>
<td>• Instructional supplies including but not limited to classroom supplies, grade books, grade book software, report cards, student handbooks and related costs</td>
<td>• Insurance on band instruments (Function 51)</td>
</tr>
<tr>
<td>• Insurance for driver’s education vehicles</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Graduation expenditures/expenses</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>
Function 11 - Costs to Include:  
- Purchase of vehicles for instructional purposes, including driver education

Function 11 - Costs to Exclude (with Correct Function):

R 12 Instructional Resources and Media Services

This function is used for expenditures/expenses that are directly and exclusively used for resource centers, establishing and maintaining libraries and other major facilities dealing with educational resources and media.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

Function 12 - Costs to Include:  
- Salaries and related expenditures/expenses associated

Function 12 - Costs to Exclude (with Correct Function):
- Salaries and related expenditures/expenses associated with:
## Function 12 - Costs to Include:

<table>
<thead>
<tr>
<th>with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Librarians</td>
</tr>
<tr>
<td>• Library aides and assistants</td>
</tr>
<tr>
<td>• Media or resource center personnel who work in an audiovisual center, television studio or related work-study areas</td>
</tr>
<tr>
<td>• Substitute pay for library staff (ALL substitutes effective 2008-09 fiscal year)</td>
</tr>
<tr>
<td>• Selecting, preparing, cataloging and circulating books and other printed materials</td>
</tr>
<tr>
<td>• Planning the use of the library by students, teachers and other members of the instructional staff</td>
</tr>
<tr>
<td>• Building individuals ability in their use of library books and materials</td>
</tr>
<tr>
<td>• Selecting, preparing, maintaining and making available to members of the instructional staff equipment, films filmstrips, transparencies, tapes, TV programs, software, CD/DVDs and similar materials</td>
</tr>
<tr>
<td>• Planning, programming, writing and presenting educational programs or segments of</td>
</tr>
</tbody>
</table>

## Function 12 - Costs to Exclude (with Correct Function):

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Encyclopedias and other reference books in the classroom (Function 11)</td>
</tr>
<tr>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Textbooks (Function 11)</td>
</tr>
<tr>
<td>• Teaching supplies used in the classroom (Function 11)</td>
</tr>
<tr>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Staff who conduct in-service training on the use of technology (Function 13)</td>
</tr>
<tr>
<td>• Network manager for instructional networks (Function 53)</td>
</tr>
<tr>
<td>• Technology coordinator for instructional networks (Function 11)</td>
</tr>
<tr>
<td>Function 12 - Costs to Include:</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>programs by closed circuit or broadcast television</td>
</tr>
<tr>
<td>• Studio crews that record educational programs or segments of programs by closed circuit or broadcast television, including those for TI-IN</td>
</tr>
<tr>
<td>• Library books, films, video cassettes, CD/DVD disks, and other media that are maintained by a resource center or library</td>
</tr>
<tr>
<td>• Supplies for binding and repairing books or other media contained in the resource center</td>
</tr>
<tr>
<td>• Upkeep and repairs to media, library and resource center materials and equipment</td>
</tr>
<tr>
<td>• Media and Living Science services provided by an education service center</td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
</tr>
<tr>
<td>• Purchase of vehicles for instructional resources and media purposes</td>
</tr>
</tbody>
</table>
**R 13 Curriculum Development and Instructional Staff Development**

This function is used for expenditures/expenses that are directly and exclusively used to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students. Expenditures and expenses include inservice training and other staff development for instructional or instructional-related personnel (Functions 11, 12, and 13) of the school district. This function also includes expenditures and expenses related to research and development activities that investigate, experiment, and/or follow-through with the development of new or modified instructional methods, techniques, procedures, services, etc.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 13 - Costs to Include:</th>
<th>Function 13 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Staff that research and develop innovative, new or modified instruction</td>
<td>• Salaries of instructional staff when attending inservice training or staff development (Function 11 or 12, as applicable)</td>
</tr>
<tr>
<td>• Fees for outside consultants conducting inservice training or staff development for instructional and instructional</td>
<td>• Substitute pay for instructional staff attending staff development or inservice training (Function 11)</td>
</tr>
<tr>
<td><strong>Function 13 - Costs to Include:</strong></td>
<td><strong>Function 13 - Costs to Exclude (with Correct Function):</strong></td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>related staff</td>
<td>Substitute pay for library staff attending staff development or inservice training (Function 12)</td>
</tr>
<tr>
<td>• Staff who prepare and/or conduct inservice training or staff development for instructional and instructional related staff (includes instructional technology)</td>
<td>• Assistant/Deputy Superintendent(s) for Instruction (Function 21)</td>
</tr>
<tr>
<td>• Curriculum coordinator (not responsible for supervising instructional staff)</td>
<td>• Instructional supervisors (Function 21)</td>
</tr>
<tr>
<td>• Subject area or grade level department heads and related support staff</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Assistant/Deputy Superintendent(s) for Curriculum</td>
<td>• Inservice training or staff development for staff that are not classified in functions 11, 12 or 13 (use appropriate function)</td>
</tr>
<tr>
<td>• Travel and subsistence for instructional and instructional related staff to attend inservice or staff development meetings</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Tuition and fees paid by the school for instructional staff to attend college for additional hours of credit</td>
<td>• Technology coordinator for instructional networks (Function 11)</td>
</tr>
<tr>
<td>• Supplies, materials and equipment for curriculum development or inservice training</td>
<td></td>
</tr>
</tbody>
</table>
Function 13 - Costs to Include:

- Staff development or inservice training provided by an education service center
- Pre/post employment physicals or drug testing for personnel classified in this function
- Purchase of vehicles for staff development or curriculum development purposes

Function 13 - Costs to Exclude (with Correct Function):

20 Instructional and School Leadership

This function code series is used for expenditures that relate to the managing, directing, supervising and leadership of staff who are providing either instructional or instructional-related services. This function code series also includes the general management and leadership of a school campus.

21 Instructional Leadership

This function is used for expenditures/expenses that are directly used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate
these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 21 - Costs to Include:</th>
<th>Function 21 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Instructional supervisors</td>
<td>• Principals, assistant principals and related staff (Function 23)</td>
</tr>
<tr>
<td>• Special population or educational program coordinators or directors (Chapter 1, Special Education, Career and Technical Education, etc.) and related support staff</td>
<td>• Staff members who perform accounting, personnel, or other administrative functions (Function 41)</td>
</tr>
<tr>
<td>• Upkeep and repairs to materials and equipment related to instructional leadership</td>
<td>• , Staff development and inservice training personnel (Function 13)</td>
</tr>
<tr>
<td>• Assistant/Deputy Superintendent(s) for Instruction</td>
<td>• Assistant/Deputy Superintendent(s) for Curriculum (Function 13)</td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td>• Curriculum coordinator not responsible for supervising instructional staff (Function 13)</td>
</tr>
<tr>
<td>• Purchase of vehicles for instructional leadership purposes</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td></td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors,</td>
</tr>
</tbody>
</table>
Function 21 - Costs to Include:

Function 21 - Costs to Exclude
(with Correct Function):

- student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)

### R 23 School Leadership

This function is used for expenditures/expenses that are used to direct and manage a school campus. They include the activities performed by the principal, assistant principals and other assistants while they:

- Supervise all operations of the campus
- Evaluate staff members of the campus
- Assign duties to staff members maintaining the records of the students on the campus

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th>Function 23 - Costs to Include:</th>
<th>Function 23 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Principals, assistant principals and related staff</td>
<td>• Staff who compile superintendent’s annual report (Function 41)</td>
</tr>
<tr>
<td>• Staff to record, compile and report pupil attendance data, such as attendance databases, including enrollment records</td>
<td>• Networked microcomputers, minicomputers, or mainframe computers that are used for multiple functions -- e.g., general administration in conjunction with school leadership (Function 53)</td>
</tr>
<tr>
<td>• Campus staff that maintain principal’s activity or student activity funds</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• All expenditures related to teacher appraisal (even if the appraisal is conducted by a teacher peer group)</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, or student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Upkeep and repairs to equipment related to school leadership</td>
<td></td>
</tr>
<tr>
<td>• Microcomputers that are used exclusively by the school leadership staff, whether networked or stand alone</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for school leadership purposes</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Design of campus improvement plans</td>
<td></td>
</tr>
</tbody>
</table>
30 Student Support Services

This function code series is used for expenditures/expenses that directly support students.

31 Guidance, Counseling and Evaluation Services

This function is used for expenditures/expenses that are directly and exclusively used for assessing and testing students’ abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes costs of psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 31 - Costs to Include:</th>
<th>Function 31 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Counselors and related staff, including Career and Technical or occupational counselors</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>Function 31 - Costs to Include:</td>
<td>Function 31 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Staff who evaluate student performance using assessment instruments</td>
<td>• Costs for providing physical health services to students (Function 33)</td>
</tr>
<tr>
<td>• Mental health screening</td>
<td>• Testing materials for student tests developed and administered by teachers (Function 11)</td>
</tr>
<tr>
<td>• Psychologists</td>
<td></td>
</tr>
<tr>
<td>• Psychiatrists</td>
<td></td>
</tr>
<tr>
<td>• Diagnosticians</td>
<td></td>
</tr>
<tr>
<td>• Assistant/Deputy Superintendent(s) for Guidance and Counseling</td>
<td></td>
</tr>
<tr>
<td>• Student appraisal services</td>
<td></td>
</tr>
<tr>
<td>• Maintaining information on home and family background, standardized test results and school performance</td>
<td></td>
</tr>
<tr>
<td>• Maintaining information on course of study for each student</td>
<td></td>
</tr>
<tr>
<td>• Placement services</td>
<td></td>
</tr>
<tr>
<td>• Testing materials for standardized tests</td>
<td></td>
</tr>
<tr>
<td>• Contracted testing services for standardized tests</td>
<td></td>
</tr>
<tr>
<td>• Student/parent counseling</td>
<td></td>
</tr>
<tr>
<td>• Upkeep and repairs to equipment</td>
<td></td>
</tr>
</tbody>
</table>
Function 31 - Costs to Include:

- related to guidance and counseling services
- Purchase of vehicles for guidance and counseling personnel
- Supplies for guidance, counseling and evaluation services
- Pre/post employment physicals or drug testing for personnel classified in this function

Function 31 - Costs to Exclude (with Correct Function):

Social Work Services

This function is used for expenditures/expenses that are directly and exclusively used for activities such as:

- Investigating and diagnosing student social needs arising out of the home, school or community
- Casework and group work services for the child, parent or both
- Interpreting the social needs of students for other staff members
- Promoting modification of the circumstances surrounding the individual student which are related to his or her social needs. (This includes referrals to and interaction with other governmental agencies.)

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.
School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 32 - Costs to Include:</th>
<th>Function 32 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Truant/attendance officers</td>
<td>• Staff that record and compile student attendance -- e.g., attendance databases (Function 23)</td>
</tr>
<tr>
<td>• Personnel transferring migrant student records</td>
<td>• Staff that record and compile superintendent’s report on attendance (Function 41)</td>
</tr>
<tr>
<td>• Social workers</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Assistant/Deputy Superintendent(s) for Social Services</td>
<td>• Parent education/involvement liaison or coordinator (Function 61)</td>
</tr>
<tr>
<td>• Purchase of vehicles for social work services</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length</td>
</tr>
<tr>
<td>• Upkeep and repairs to materials and equipment related to social work services</td>
<td></td>
</tr>
<tr>
<td>• Supplies for social work services</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>
Function 32 - Costs to Include:

Function 32 - Costs to Exclude (with Correct Function):

- of day, etc. (Function 36)

R 33

Health Services

This function is used for expenditures/expenses that are directly and exclusively used for providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 33 - Costs to Include:</th>
<th>Function 33 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• School physicians (including ophthalmologists), dentists, optometrists, nurses and nurses’ aides that are used to maintain the health of students or provide health services for the well-being of the students</td>
<td>• Medical and health supplies to be used for athletics (Function 36, Program Intent Code 91)</td>
</tr>
<tr>
<td>• Contracted medical services</td>
<td>• Instruction in health (Function 11)</td>
</tr>
<tr>
<td></td>
<td>• Speech, health, physical and</td>
</tr>
<tr>
<td>Function 33 - Costs to Include:</td>
<td>Function 33 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>including doctor visits, dental visits, vision services and nurses services</td>
<td>occupational therapy to assist special education students in the learning process (Function 11)</td>
</tr>
<tr>
<td>• Staff and student inoculations</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Medical and health supplies for the use of students to assist in health care</td>
<td>• Pre/post employment physicals or drug testing for personnel classified in other functions (charge to appropriate function)</td>
</tr>
<tr>
<td>• Medicaid administrative expenditures</td>
<td>• Medical and health supplies to be used for athletics (Function 36)</td>
</tr>
<tr>
<td>• Student physical health screening and referral</td>
<td>• Physical examinations for purposes of athletics (Function 36)</td>
</tr>
<tr>
<td>• Upkeep and repairs to materials and equipment related to health services</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Industrial nurses</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for health services</td>
<td></td>
</tr>
</tbody>
</table>

**R 34 Student (Pupil) Transportation**

This function is used for expenditures/expenses that are incurred for transporting students to and from school.

Expenditures/expenses for regular bus routes to and from school are to be recorded using Program Intent Code 99 (Undistributed), and Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
Expenditures/expenses for transportation specifically and exclusively for purposes of transporting students relating to enhanced program intents such as Career and Technical and Services to Students with Disabilities (Special Education), etc., are to be recorded in Function 34 with the appropriate program intent codes.

<table>
<thead>
<tr>
<th>Function 34 - Costs to Include:</th>
<th>Function 34 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Transportation specifically for students that participate in special programs as defined in program intent codes -- e.g., Services to Students with Disabilities (Special Education), Career and Technical, etc. Include the appropriate program intent code when applicable</td>
<td>• Field trips (Function 11)</td>
</tr>
<tr>
<td>• Transportation supervisors, directors, bus drivers and bus maintenance personnel</td>
<td>• Student organization trips -- e.g., FFA, National Honor Society (Function 36)</td>
</tr>
<tr>
<td>• Fuel, tires, etc. for buses</td>
<td>• Additional costs associated with serving as coaches, athletic directors, band directors, sponsors for UIL speech, debate, science competition, class sponsors, student organization sponsors. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (Function 36)</td>
</tr>
<tr>
<td>• Contracted repair of buses</td>
<td>• Financing costs -- e.g. principal and interest for acquisition of buses (Function 71)</td>
</tr>
<tr>
<td>• Bus driver training and certification</td>
<td>• Principal and interest on school bus loans/capital leases (Function 71)</td>
</tr>
<tr>
<td>• Fleet insurance for buses</td>
<td>• Vehicles other than those used for student transportation (charge to appropriate function)</td>
</tr>
<tr>
<td>• Bonding expenditures/expenses for bus drivers</td>
<td></td>
</tr>
</tbody>
</table>
Function 34 - Costs to Include:
- Classified in this function
- Initial purchase of school buses

Food Services

This function is used for food service operation expenditures/expenses, including the cost of food, labor, and other expenditures/expenses necessary for the preparation, transportation and storage of food to provide to students and staff. Expenditures/expenses are used directly and exclusively for supervision and maintenance of a food service operation.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

Function 35 - Costs to Include:
- Food service supervisors or directors and related staff

Function 35 - Costs to Exclude (with Correct Function):
- Food purchases to instruct students on food preparation (Function 11)
<table>
<thead>
<tr>
<th>Function 35 - Costs to Include:</th>
<th>Function 35 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooks</td>
<td>Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>Snack bar staff</td>
<td>Concession stands at athletic events (Function 36)</td>
</tr>
<tr>
<td>Food purchases</td>
<td>Snacks, food and drinks for resale in an activity fund (Function 36)</td>
</tr>
<tr>
<td>Non-food purchases such as plates, silverware, napkins, etc. essential to providing food services to students</td>
<td></td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
</tr>
<tr>
<td>Purchase of vehicles and other transportation costs for the purpose of transporting food from central locations to satellite locations</td>
<td></td>
</tr>
<tr>
<td>Purchase of food service equipment (Contact School Meals Programs at the Texas Department of Agriculture for clarification regarding equipment that is eligible under the food service program)</td>
<td></td>
</tr>
<tr>
<td>Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>

**Extracurricular Activities**

This function is used for expenditures/expenses for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and
the enjoyment and improvement of skills in either a competitive or noncompetitive setting.

Extracurricular activities include athletics and other activities that normally involve competition between schools (and frequently involve offsetting gate receipts or fees such as football, baseball, volleyball, track and tennis). Other kinds of related activities are included (such as drill team, pep squad and cheerleading, University Interscholastic League competition such as one-act plays, speech, debate, band, Future Farmers of America (FFA), National Honor Society, etc.).

If the school district has activity funds, the goods purchased for resale are to be classified in this function, with the gross sale of goods recorded in Revenue Object Code 5755, Results from Enterprising Activities, Activity Funds and/or Clearing Accounts.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th>Function 36 - Costs to Include:</th>
<th>Function 36 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Athletic salary supplements paid exclusively for coaching, directing or sponsoring extracurricular athletics, drill team, pep squad or cheerleaders (use Program Intent Code 91)</td>
<td>• Salaries for instruction, including that portion of the salary for the regular school day that is for teaching physical education (P.E. equivalent) courses for credit when athletic activities are being practiced or are taking place (Function 11)</td>
</tr>
<tr>
<td>• Athletic Directors/assistants and trainers (use Program Intent Code 91)</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>• Expenditures/expenses for insurance to cover student injuries that take place while participating in athletics (use Program Intent Code 91)</td>
<td>• Property insurance for band uniforms, instruments and other equipment (Function 51)</td>
</tr>
<tr>
<td>• Physical examinations for purposes of athletics (use Program Intent Code 91)</td>
<td>• Band instruments purchased by the school district or donated by band boosters or other groups (Function 11)</td>
</tr>
<tr>
<td>• Medical and health supplies to be used for athletics (use Program Intent Code 91)</td>
<td>• Security for cocurricular/extracurricular events (Function 52)</td>
</tr>
<tr>
<td>• Athletic supplies and equipment, including, uniforms, etc. (use Program Intent Code 91)</td>
<td>• Property insurance for athletic uniforms and equipment (Function 51)</td>
</tr>
<tr>
<td>• Game officials (use Program Intent Code 91)</td>
<td></td>
</tr>
<tr>
<td>Function 36 - Costs to Include:</td>
<td>Function 36 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>activities (use Program Intent Code 99)</td>
<td>• Gatekeepers, timers, scorekeepers at athletic events (use Program Intent 91)</td>
</tr>
<tr>
<td>• Gatekeepers, timers, scorekeepers at athletic events (use Program Intent 91)</td>
<td>• Additional costs associated with serving as band directors, sponsors for UIL speech, debate, science competition, etc., class sponsors, student organization sponsors -- e.g., Future Farmers of America, National Honor Society, etc. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (use Program Intent Code 99)</td>
</tr>
<tr>
<td>• Additional costs associated with serving as band directors, sponsors for UIL speech, debate, science competition, etc., class sponsors, student organization sponsors -- e.g., Future Farmers of America, National Honor Society, etc. This includes costs associated with additional days employed, reduction of class load, length of day, etc. (use Program Intent Code 99)</td>
<td>• Band uniforms (use Program Intent Code 99)</td>
</tr>
<tr>
<td>• Band uniforms (use Program Intent Code 99)</td>
<td>• Items (food, drinks, pencils, pens, paper, etc.) for resale in an activity fund (use Program Intent Code 99)</td>
</tr>
<tr>
<td>• Items (food, drinks, pencils, pens, paper, etc.) for resale in an activity fund (use Program Intent Code 99)</td>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td>• Purchase of vehicles for cocurricular/extracurricular purposes</td>
</tr>
</tbody>
</table>

40 Administrative Support Services

A function code series for the overall general administrative support services of the school district.
General Administration

This function is for expenditures/expenses that are for purposes of managing or governing the school district as an overall entity. This function covers multiple activities that are not directly and exclusively used for costs applicable to specific functions. General administration is an indirect cost applicable to other expenditure functions of a school district.

Program Intent Code 99 is to be used for all expenditures for Function 41. The organization codes specified in the 700 organization code group are the only organization codes to be used with Function 41 costs and may not be used in any other function, other than specific costs in Function 53 (Data Processing) that relate to the functions of the business office.

<table>
<thead>
<tr>
<th>Function 41 - Costs to Include:</th>
<th>Function 41 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expenditures/expenses for board of trustees, including travel, training and legal fees</td>
<td>• Portion of superintendent’s salary associated with other duties such as instruction, campus leadership and support services (charge to appropriate function)</td>
</tr>
<tr>
<td>• Salary of chief officer of the school district -- e.g., superintendent while performing administrative duties directly related to the superintendency</td>
<td>• Incremental costs of tax collection due to purchase of Weighted Average Daily Attendance (WADA) from either the state or other school districts (Function 92)</td>
</tr>
<tr>
<td>• Other salaries and expenditures/expenses related to the office of the superintendent</td>
<td>• Building and property insurance (Function 51)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses related to budgeting, accounting and fiscal affairs, including payroll and internal auditing expenditures/expenses, property accounting (capital assets), inventory and purchasing</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
</tbody>
</table>
### Function 41 - Costs to Include:

- Salaries and expenditures/expenses related to human resources (personnel services)
- Salaries and expenditures/expenses related to tax office services for the school district
- Salaries and expenditures/expenses related to textbook custodian
- Salaries and expenditures/expenses related to support services for aggregating attendance reports to superintendent’s report
- Salaries and/or other expenditures/expenses associated with legal and risk management issues, including analysis of tax value limitation agreements
- Stand alone or networked computers used primarily by Function 41 personnel for administrative purposes
- Salaries and expenditures/expenses associated with planning and research
- Salaries and expenditures/expenses associated with community/public relations
- Vehicles (including acquisition, maintenance, and depreciation)

### Function 41 - Costs to Exclude (with Correct Function):

- Salaries and expenditures/expenses related to a warehouse operation (Function 51)
- Salaries and expenditures/expenses related to personal computer networks, minicomputers and mainframes that include student and general administrative software and serve multiple functions (Function 53)
- Management Information Services (MIS) directors (Function 53)
- Delinquent tax attorney fees (use liability object code account 2110, Accounts Payable)
- Amounts paid to other governmental entities such as county appraisal districts for costs related to the appraisal of property (Function 99)
<table>
<thead>
<tr>
<th>Function 41 - Costs to Include:</th>
<th>Function 41 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>maintenance and supplies) used for administrative personnel</td>
<td></td>
</tr>
<tr>
<td>• Expenditures/expenses for bonding administrative personnel</td>
<td></td>
</tr>
<tr>
<td>• Costs associated with records management</td>
<td></td>
</tr>
<tr>
<td>• insurance for administrative automobiles</td>
<td></td>
</tr>
<tr>
<td>• Purchase of vehicles for administrative staff</td>
<td></td>
</tr>
<tr>
<td>• Liability insurance for board of trustees and administrative personnel</td>
<td></td>
</tr>
<tr>
<td>• Design of district improvement plan</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Fees, associated travel, and other related costs for the appraisal of property and the collection of taxes when no other governmental entities are involved</td>
<td></td>
</tr>
<tr>
<td>• Amounts paid to other governmental entities such as county appraisal districts for costs related to the collection of taxes</td>
<td></td>
</tr>
<tr>
<td>• Amounts paid for monitors, conservators or management teams required by TEA</td>
<td></td>
</tr>
</tbody>
</table>
Support Services - Non-Student Based

Support Services (New title effective September 1, 2005)

This function code series is used for expenditures/expenses that are used for school district support services.

Facilities Maintenance and Operations (New title effective September 1, 2005)

This function is used for expenditures/expenses for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition and state of repair, and insured. This function is used to record expenditures/expenses for the maintenance and operation of the physical facilities and grounds. This function also includes expenditures/expenses associated with warehousing and receiving services.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 51 - Costs to Include:</th>
<th>Function 51 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and other</td>
<td>• Acquisition or purchase of land</td>
</tr>
<tr>
<td>Function 51 - Costs to Include:</td>
<td>Function 51 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td>expenditures/expenses for custodian services</td>
<td>and/or buildings (Function 81)</td>
</tr>
<tr>
<td>• Salaries and other expenditures/expenses for building and appliance maintenance</td>
<td>• Remodeling or construction of buildings (Function 81)</td>
</tr>
<tr>
<td>• Salaries and other expenditures/expenses for property/casualty insurance</td>
<td>• Major improvement to sites (Function 81)</td>
</tr>
<tr>
<td>• Supervisors, Directors, Assistant/Deputy Superintendents for facilities maintenance and operation</td>
<td>• Initial installation or extension of service systems or other equipment (Function 81)</td>
</tr>
<tr>
<td>• Premiums for blanket casualty insurance for physical facilities, including food service operations</td>
<td>• Security and monitoring expenditures (Function 52)</td>
</tr>
<tr>
<td>• Property insurance for band instruments, uniforms and other equipment</td>
<td></td>
</tr>
<tr>
<td>• Property insurance for athletic uniforms and other athletic equipment</td>
<td></td>
</tr>
<tr>
<td>• Acquisition of supplies and contracted maintenance for vehicles used for facilities maintenance and operation, including food service operations</td>
<td></td>
</tr>
<tr>
<td>• Utilities for the entire school district, including food service operations</td>
<td></td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses related to</td>
<td></td>
</tr>
<tr>
<td>Function 51 - Costs to Include:</td>
<td>Function 51 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>a warehouse operation</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
<tr>
<td>• Security systems that are part of a smoke detector system</td>
<td></td>
</tr>
<tr>
<td>• Vehicles purchased for facilities maintenance and operation</td>
<td></td>
</tr>
</tbody>
</table>

#### Security and Monitoring Services

This function is used for expenditures/expenses that are for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th>Function 52 - Costs to Include:</th>
<th>Function 52 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Security guards</td>
<td>• Security systems that are part of a smoke detector system (Function 51)</td>
</tr>
<tr>
<td>• Hall monitors for security purposes</td>
<td>• Truant officers (Function 32)</td>
</tr>
<tr>
<td>• School bus security monitors</td>
<td>• Social workers (Function 32)</td>
</tr>
<tr>
<td>• School crossing guards</td>
<td>• Parent education/involvement liaison or coordinator (Function 61)</td>
</tr>
<tr>
<td>• Campus police</td>
<td>• School bus aides for special education (Function 11)</td>
</tr>
<tr>
<td>• Security at school-sponsored events, including cocurricular/extracurricular events</td>
<td></td>
</tr>
<tr>
<td>• Security vehicles for personnel assigned to this functional area</td>
<td></td>
</tr>
<tr>
<td>• Supplies, equipment and contracted services for the safekeeping of students and staff, including metal detectors, drug dogs, surveillance devices, etc.</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>
Data Processing Services

This function is for expenditures/expenses for data processing services, whether in-house or contracted. Examples of Function 53 costs are costs for computer facility management; computer processing; systems development; analysis of workflows, processes and requirements; coding, testing, debugging and documentation; systems integration; design of applications supporting information technology infrastructure; maintenance of programs; maintenance of networks; and those interfacing costs associated with general types of technical assistance to data users. Specific types of applications include student accounting, financial accounting and human resources/personnel. Personal Computers (PC’s) that are stand alone are to be charged to the appropriate function. Peripherals including terminals and printers are to be charged to the appropriate function. Costs associated with mainframe, minicomputers, servers and networked or standalone microcomputers that provide services to multiple functions are to be recorded here.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

For data processing expenditures associated with business office functions such as accounting and payroll, Organization Code 750 is to be used.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th>Function 53 - Costs to Include:</th>
<th>Function 53 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and expenditures/expenses (including hardware/software maintenance) for PC networks that include student and general administrative software, license fees and serve multiple functions</td>
<td>• Stand alone or networked computers used by a specific functional area (Charge to appropriate function)</td>
</tr>
<tr>
<td>• Network managers for non-instructional computer networks</td>
<td>• Instructional computer networks, software, licensing fees, maintenance, supplies, staff and instructional computer lab teacher (Function 11)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses (including hardware/software maintenance) for minicomputers that include student and general administrative software and serve multiple functions</td>
<td>• Instructional Technology Coordinator (Function 11)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses (including hardware/software development and maintenance) for mainframe computers that include student and general administrative software and serve multiple functions</td>
<td>• Webmaster in instructional setting (Function 11)</td>
</tr>
<tr>
<td>• Management Information Services (MIS) directors</td>
<td>• Staff who prepare and/or conduct inservice training or staff development for instructional and instructional related staff (includes instructional technology) (Function 13)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses for webmaster (excluding costs attributable to instructional settings)</td>
<td>• Library system software/license including standalone and networked applications (Function 12)</td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses for technology network, data, or</td>
<td>• Supplies and services for upkeep and maintenance for buildings and grounds, including utilities (Function 51)</td>
</tr>
<tr>
<td>Function 53 - Costs to Include:</td>
<td>Function 53 - Costs to Exclude (with Correct Function):</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>system security (excluding costs attributable to instructional settings)</td>
<td></td>
</tr>
<tr>
<td>• Salaries and expenditures/expenses information technology developer, programmer, tester, or systems analyst (excluding costs attributable to instructional settings)</td>
<td></td>
</tr>
<tr>
<td>• Pre/post employment physicals or drug testing for personnel classified in this function</td>
<td></td>
</tr>
</tbody>
</table>

60 Ancillary Services

This function code series is used for expenditures/expenses that are for school district support services supplemental to the operation of the school district.

61 Community Services

This function is used for expenditures that are for activities or purposes other than regular public education and adult basic education services. These types of expenditures are used for services or activities relating to the whole community or some segment of the community. This includes providing resources to non-public schools, institutions of higher education, and any proprietary types of services incurred for outside entities in the community.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.
School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 61 - Costs to Include:</th>
<th>Function 61 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and related expenditures for community recreation services such as the operation of a school library, swimming pool, and playgrounds for the public</td>
<td>• Upkeep and maintenance for buildings and grounds (Function 51)</td>
</tr>
<tr>
<td>• Parenting programs</td>
<td>• Summer feeding program (Function 35)</td>
</tr>
<tr>
<td>• Parental involvement programs</td>
<td>• After hours tutorial and enrichment (Function 11)</td>
</tr>
<tr>
<td>• Parent education/involvement liaison or coordinator</td>
<td>• Adult basic education (Function 11)</td>
</tr>
<tr>
<td>• Parental and education services to adults other than adult basic education</td>
<td></td>
</tr>
<tr>
<td>• Salaries and related expenditures for child care for teen parents attending school</td>
<td></td>
</tr>
<tr>
<td>• Staff for child care for teachers or working parents</td>
<td></td>
</tr>
<tr>
<td>• Baby-sitting after hours and after</td>
<td></td>
</tr>
</tbody>
</table>
### Function 61 - Costs to Include:

- school daycare
- Salaries and related expenditures for amnesty programs
- Salaries and related expenditures for civic centers
- Salaries and related expenditures for public health programs
- Salaries and related expenditures for conducting meetings with parental advisory committees
- Pre/post employment physicals or drug testing for personnel classified in this function

### Function 61 - Costs to Exclude (with Correct Function):

<table>
<thead>
<tr>
<th>Function 62: School District Administrative Support Services (Used by Education Service Centers Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This function code is to be used exclusively by education service centers for expenditures related to performing certain administrative functions for school districts. These services can include indirect instructional services for students such as guidance and counseling, social work, health and food services as well as general administrative services such as fiscal budget, accounting, joint purchasing, tax administration, SAS preparation services, etc.</td>
</tr>
<tr>
<td>This function is used by education service centers for region-wide activities that encompass inservice education and other developmental activities provided to indirect instructional or instructional related school district professional personnel (i.e., professional personnel in functions other than 11, 12 and 13).</td>
</tr>
</tbody>
</table>
### Function 62 - Costs to Include:
- Administrative support services for school district personnel
- Guidance and counseling staff that provide services to students
- Social work staff that provide services to students
- Health staff that provide services to students
- Staff that provide administrative services to students
- Pre/post employment physicals or drug testing for personnel classified in this function

### Function 62- Costs to Exclude (with Correct Function):
- Staff that provide instructional services to students (Function 11)

---

#### 70 Debt Service

This function code series is used for expenditures that are used for the payment of debt principal and interest.

#### 71 Debt Service

This function is used for expenditures that are for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest. Note principal for short-term loans (one year or less in duration) is to be recorded in the liability account 2122, Notes Payable - Current Year.
For this function the school district is to use Program Intent Code 99 (Undistributed), and Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

Please note that for financial reporting purposes only, principal, interest and bond issuance costs and fees are broken down further by Data Control Codes. Refer to the Sample Annual Financial and Compliance Report in Appendix 10 as well as the GASB Audit Data Feed instructions located in the Electronic Report Submission section of the Financial Audits website.

<table>
<thead>
<tr>
<th>Function 71 - Costs to Include:</th>
<th>Function 71 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bond principal</td>
<td>• Short-term debt principal - 12 months or less in duration (record initial liability and repayment as a credit and debit to Notes Payable liability account respectively)</td>
</tr>
<tr>
<td>• Interest on bonds</td>
<td>• Acquisition or purchase of land and/or buildings financed with debt (Function 81)</td>
</tr>
<tr>
<td>• Capital lease principal</td>
<td></td>
</tr>
<tr>
<td>• Capital lease purchase interest</td>
<td></td>
</tr>
<tr>
<td>• Principal on long-term debt</td>
<td></td>
</tr>
<tr>
<td>• Interest on long-term debt</td>
<td></td>
</tr>
<tr>
<td>• Interest on short term notes</td>
<td></td>
</tr>
<tr>
<td>• Principal on school bus loans (that exceed one year in duration)</td>
<td></td>
</tr>
<tr>
<td>• Interest on school bus loans</td>
<td></td>
</tr>
</tbody>
</table>
80 Capital Outlay

This function code series is used for expenditures that are acquisitions, construction, or major renovation of school district facilities.

81 Facilities Acquisition and Construction

This function is used by school districts for expenditures that are for acquiring, equipping, and/or making additions to real property and sites, including lease and capital lease transactions.

Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

If specific program intent codes are not used, the school district is to use Program Intent Code 99 (Undistributed). If specific organization codes are not used, the school district is to use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 81 - Costs to Include:</th>
<th>Function 81 - Costs to Exclude (with Correct Function)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Acquisition or purchase of land and/or buildings</td>
<td>• Debt service expenditures associated with debt to finance capital construction (Function 71)</td>
</tr>
<tr>
<td>• Remodeling or construction of buildings</td>
<td>• Debt service expenditures associated with capital leases to</td>
</tr>
</tbody>
</table>
### Function 81 - Costs to Include:

- Major improvement to sites
- Initial installation or extension of service systems or other equipment
- Initial capital outlay to equip new facilities
- Capital outlays under capital leases (this does not include lease payments)
- Pre/post employment physicals or drug testing for personnel classified in this function

### Function 81 - Costs to Exclude (with Correct Function)

- Finance capital items (Function 71)
- Capital expenditures that do not relate to major renovation or construction (charge to appropriate function)
- Equipment for facilities maintenance and operation (Function 51)

### Intergovernmental Charges

“Intergovernmental” is a classification that is appropriate where one governmental unit transfers resources to another. In particular, Chapter 41 purchase of WADA and the transfer of students where one school district pays another school district for educating students are examples of intergovernmental charges.

### Contracted Instructional Services Between Public Schools

This function code is used for expenditures that are used for:

- Providing financial resources for services in another public school through a contract for education of nonresident students under Subchapter E, Chapter 41, TEC
- Purchasing attendance credits from the state under Subchapter D, Chapter 41, TEC
Costs for contractual arrangements under Subchapter E, Chapter 41, are recorded under this function code only if the agreement is to pay for services managed and administered by another school district receiving payments under Subchapter E, Chapter 41, TEC. This function is to be used exclusively for the purchase of Weighted Average Daily Attendance (WADA) from either the state or other school districts.

For this function, the school district is to use Program Intent Code 99 (Undistributed) and Organization Code 999 (Undistributed).

<table>
<thead>
<tr>
<th>Function 91 - Costs to Include:</th>
<th>Function 91 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Purchase of WADA from other school districts</td>
<td>• Tuition paid by the school district for students to attend college during the regular school day (Function 11)</td>
</tr>
<tr>
<td>• Purchase of WADA from the state</td>
<td>• Tuition paid by the school district for students who attend classes in another school district which is not part of a Public Education Grant or transfer of an entire grade (Function 99)</td>
</tr>
<tr>
<td>• Technology Consortium costs under Option 4</td>
<td></td>
</tr>
<tr>
<td>• Career and Technology education programs under TEC 41.125</td>
<td></td>
</tr>
</tbody>
</table>

R 92 Incremental Costs Associated with Chapter 41, Texas Education Code, Purchase or Sale of WADA

This function code is used for expenditures that are for the purpose of positioning a school district with excess wealth per WADA to purchase attendance credits either from the state or from other school district(s).
Certain expenditures must be accounted for by organization code and program intent code. See Organization Code section and Program Intent section for guidance concerning mandatory and optional uses.

School districts are encouraged to use appropriate program intent and organization codes for all other costs that are directly attributable to a specific program intent and/or organization. However, benefits to the management of the school district in relation to the effort to allocate these costs should be examined before allocating costs that are not mandatory.

For this function the school district is to use Program Intent Code 99 (Undistributed) and Organization Code 999 (Undistributed).

<table>
<thead>
<tr>
<th>Function 92 - Costs to Include:</th>
<th>Function 92 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and expenditures related to the cost of collecting excess taxes to purchase or sell WADA</td>
<td>• Normal tax collection costs of the school district (Function 41)</td>
</tr>
<tr>
<td>• Salaries and expenditures related to the cost of legal fees or elections expenses incurred to purchase WADA</td>
<td>• Normal legal and election costs of the school district (Function 41)</td>
</tr>
<tr>
<td></td>
<td>• Delinquent tax attorney fees (use liability object account code 2110, Accounts Payable)</td>
</tr>
</tbody>
</table>

**R 93 Payments to Fiscal Agent/Member Districts of Shared Services Arrangements**

This function code is used for expenditures that are for (1) payments from a member district to a fiscal agent of a shared services arrangement; or, (2) payments from a fiscal agent to a member district of a shared services arrangement.

The appropriate program intent code should be used for these expenditures. Use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).
<table>
<thead>
<tr>
<th>Function 93 - Costs to Include:</th>
<th>Function 93 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payments from member districts to fiscal agents of shared services arrangements, where fiscal agent will expend funds on behalf of member districts (Use Expenditure Object Code 6492)</td>
<td>• No other expenditures are allowed in this function</td>
</tr>
<tr>
<td>• Payments from fiscal agents to member districts of shared services arrangements, where member districts will expend funds (Use Expenditure Object Code 6493)</td>
<td></td>
</tr>
</tbody>
</table>

## 95 Payments to Juvenile Justice Alternative Education Programs

This function code is used for expenditures that are for the purpose of providing financial resources for Juvenile Justice Alternative Education Programs under Chapter 37, TEC. This function code is used to account for payments to other governmental entities in connection with students that are placed in discretionary or mandatory JJAEP settings.

The appropriate program intent code should be used for these expenditures. **Use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).**

<table>
<thead>
<tr>
<th>Function 95 - Costs to Include:</th>
<th>Function 95 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payments from school districts in which a student resides to a Juvenile Justice Alternative Education Program (Use Expenditure Object Code 6223)</td>
<td>• No other expenditures are allowed in this function</td>
</tr>
</tbody>
</table>
97 Payments to Tax Increment Fund

This function code is used for expenditures that are for the purpose of providing financial resources paid into a tax increment fund under Chapter 311, Tax Code. The revenues are recorded under fund 199, Object 5746. The expenditures are recorded under fund 199, Object 6499.

The appropriate program intent code should be used for these expenditures. Use Organization Code 999 (Undistributed) or Organization Code 998 (Unallocated, Local Option).

<table>
<thead>
<tr>
<th>Function 97 - Costs to Include:</th>
<th>Function 97 - Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payments into a tax increment fund under Chapter 311, Tax Code (Use expenditure object code 6499)</td>
<td>• No other expenditures are allowed in this function</td>
</tr>
</tbody>
</table>

99 Other Intergovernmental Charges

This code is used to record other intergovernmental charges not defined above.

This function code is used for expenditures that are used for obtaining instructional services from another public school for grade levels not served in a school district under Section 25.039, TEC.

<table>
<thead>
<tr>
<th>Function 99 - Costs to Include:</th>
<th>Function 99 Costs to Exclude (with Correct Function):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salaries and related expenditures, including tuition, to obtain instructional services from another school district for grade</td>
<td>• Tuition paid by the school district for students to attend college during the regular school day (Function 11)</td>
</tr>
</tbody>
</table>
### Function 99 - Costs to Include:

- Levels not provided by the sending school district (Use Expenditure Object Code 6222)
- Amounts paid to other governmental entities such as county appraisal districts for costs related to the appraisal of property (Use Expenditure Object Code 6213)

### Function 99 Costs to Exclude (with Correct Function):

- Tuition paid by the school district for students who attend classes in another school district which is not part of a Public Education Grant or transfer of an entire grade (Function 11)
- Fees, associated travel, and other related costs for the appraisal of property and the collection of taxes when no other governmental entities are involved (Function 41)
### 1.4.4 Asset Object Codes

Assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. Asset codes are four digit object codes, and are the sixth through ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “1.” School districts may optionally account for transactions at a more detailed level than the level indicated. The \( R \) by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.

---

**Exhibit 32. Asset Object Code Structure**

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X</td>
<td>X</td>
<td>-</td>
<td>X X</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

- Major Detail
- Account Classification

Object Codes:

- **Assets (1XXX)**

---

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option
ASSETS AND OTHER DEBITS

Assets are recorded as debits in three categories:

(1) current assets
(2) capital assets, and
(3) restricted assets

Other debits are recorded as debits in two categories:

(1) amounts to be provided for payment of debt principal
(2) amounts available for payment of debt principal.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents of a school district are recorded in the 1110 series of accounts.

Cash and Cash Equivalents (These accounts are converted to 1110 for financial statement purposes)

These accounts are to be used, at the option of the school district, to record the school district’s cash on deposit and cash on hand as well as temporary cash equivalents. A school district may elect to utilize these account codes to identify separately different cash and investment types. School districts may elect to maintain separate accounts for various cash and cash equivalents types. Object codes 1101 through 1109 maybe used to segregate the different classes of accounts shown below. Cash and cash equivalents include the following:
• Cash in Banks

This account is debited with all cash receipts, the contra entry being a credit to a receivable account, revenue, deferred revenue or other uses account. Credits to this account arise from disbursements or return of checks previously deposited.

• Cash in Office

This account is debited on August 31 with any receipts which are attributable to the fiscal year then ending because a lack of time prevented the receipts from being processed and deposited prior to August 31. This account would be cleared on September 1.

• Cash with Fiscal/Paying Agent

This account, which is used for fiscal/paying agents of debt service, is debited as deposits are made with the coupon paying agents. As coupons and bonds are presented the entries would result in a credit to this account and a debit to either coupons or bonds payable.

• Payroll Bank Account

This account is debited with the amount of the net payroll (gross payroll less employee deductions) or the gross payroll depending on which basis of the two is selected by school district. Credits to this account arise from the issuance of payroll checks.

• Imprest Funds

This account represents the amount of cash and evidence of cash disbursements that are held on an imprest basis (petty cash).

• Short-term investments
\textbf{R1110 Cash and Temporary Investments}

This account is to be used to record all of a school district’s cash on deposit and cash on hand as well as temporary cash equivalents. A school district may elect to utilize the preceding accounts to identify separately different cash and cash equivalents. School districts may elect to maintain separate accounts for various cash and cash equivalents.

\textbf{R1120 Investments – Current}

This account is to be used to record all securities that are expected to be held for less than one year and that generate revenue in the form of interest or dividends. This account includes certain items (e.g., most certificates of deposit) that are classified as deposits in the notes to the financial statements to disclose custodial credit risk.

See account 1910 for long-term investments.

\textbf{1200 RECEIVABLES}

Receivables due for outlays made and expected receipts are charged to the 1200 series of accounts. The credit entry is to deferred revenues (in the instance of property taxes receivable), a revenue account, allowance for uncollectible taxes or fund balance. When monies are received, the appropriate receivable account is credited and the debit entry is to a cash account. The following accounts are included in this classification:

\textbf{R1210 Property Taxes - Current}

This account is debited with the current year tax levy that is due.
**Property Taxes - Delinquent**

This account is used to record taxes for the current year’s levy that are past-due as well as for previous years’ tax levies that are past-due.

**Allowance for Uncollectible Taxes (Credit)**

This account represents a credit against taxes, penalties, and tax interest receivable determined as a result of historical tax collecting experience.

**Due from Other Governments**

These accounts are used to record amounts receivable from other governmental entities.

**Due from State**

This account represents amounts earned/allocated to a school district from state sources (including federal funds received from state sources) that exceed amounts received during the fiscal year.

**Due from Federal Agencies**

This account represents amounts earned by a school district under a federal financial assistance program in excess of cash receipts during the fiscal year.

**Due from Other Governments**

This account represents amounts receivable from other governmental entities, including counties, councils of government, cities and other school districts.
**1250  Accrued Interest**

This account is used to record the amount of interest earned and measurable through month end or fiscal year end on all interest-bearing cash accounts and investments outstanding at that date.

**1260  Due from Other Funds**

These accounts represent amounts due from other funds. The following accounts are included in this classification:

**1261  General Fund**

This account represents amounts due from the general fund to other funds of the school district.

**1262  Special Revenue Fund**

This account represents amounts due from the special revenue fund to other funds of the school district.

**1263  Debt Service Fund**

This account represents amounts due from the debt service fund to other funds of the school district.

**1264  Capital Projects Fund**

This account represents amounts due from the capital projects fund to other funds of the school district.

**1265  Enterprise Fund**

This account represents amounts due from the enterprise fund to other funds of the school district.
1266 Internal Service Fund

This account represents amounts due from the internal service fund to other funds of the school district.

1267 Trust and Agency Funds

This account represents amounts due from the trust and agency funds to other funds of the school district.

1268 Permanent Funds

This account represents amounts due from the permanent funds to other funds of the school district.

1290 Other Receivables

This account includes all other accounts receivable not specifically identified above. Examples may consist of amounts due from employees, due from external sources (other than from other governments), rents, fees, self-insurance recoveries, etc.

1300 INVENTORIES

These accounts include value, at cost, of stored noncapital goods on hand that will be charged as expenditures/expenses when issued for use (consumption method of accounting for inventory items). Inventories are sometimes controlled through a central location. If a school district uses the purchases method, an immediate charge for inventory costs is recorded under the appropriate supply expenditure code and inventories are not reported on the balance sheet unless there is a significant amount at the fiscal year end. Amounts reported for inventories under the purchases method on the balance sheet are not available to finance current or future Governmental Fund type expenditures/expenses (because they have been recorded as expenditures/expenses in a prior year). As a result, the amount reported as inventories (excluding commodities)
on the balance sheet is also reported as a credit to account code 3410, Reserve for Investment in Inventories.

1310 Inventories - Supplies and Materials

This account includes inventories of supplies and materials for school districts using the consumption method of accounting for inventories.

1400 OTHER CURRENT ASSETS

These accounts are debited with any items which are properly chargeable to the operations of future periods, the contra entry being a credit to cash, a liability account or, in the case of an adjustment, an expenditure account. Credits to these accounts arise from journal entries recording period charges, the contra entry being a debit to an expenditure account.

1410 Deferred Expenditures/Expenses

This account represents certain disbursements that may need to be made in one period but are more accurately reflected in part as an expenditure of the next fiscal year. The credit entry is to cash. This is reversed in a subsequent fiscal period with a credit here and a debit to the appropriate expenditure account.

1420 Capitalized Bond and Other Debt Issuance Costs

This account represents certain bond and other debt issuance costs, including lease-purchase debt issuance costs that are capitalized.

1430 Premium and Discount on Issuance of Bonds (Delete effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)
This account represents amounts to be amortized as debt premium and/or discount in connection with the issuance of debt. Historically, amounts have been recorded in Account 1430; however, moving to account number 2516 is more consistent with reporting the discount or premium as a direct deduction from or addition to the face amount of the liability. The same effect can be produced by grouping account 1430 with the debt accounts in a report-writer package for financial statement preparation purposes.

**R 1490**  
**Other Current Assets**

This account includes all other current assets not specifically identified above.

**1500**  
**LAND, BUILDINGS AND EQUIPMENT**

These accounts include the value of land, buildings, furniture and equipment. Capital assets of school districts are recorded at cost or estimated cost at the time of acquisition. If capital assets are donated, assets are recorded at estimated fair market value at the time of acquisition. Capital assets of Governmental Fund Types and Expendable Trust funds are recorded in the General Capital Asset Account Group, and capital assets of Proprietary Fund Types and similar trust funds are recorded in those fund types.

**R 1510**  
**Land Purchase and Improvements**

This account includes the value of land that is owned outright, whether purchased or donated. Included in the value of land are capital improvements, other than buildings, acquisition costs and other costs necessary to alter the land for its intended purpose.

**R 1520**  
**Buildings and Improvements**

This account includes the value of buildings that are owned outright, whether purchased, constructed or donated. Included in the value of buildings are capital improvements, permanently attached furniture and equipment, and any costs incurred in acquisition.
1530 Furniture and Equipment

This account includes the value of furniture and equipment meeting capital outlay criteria, $5,000 cost per unit or more and a useful life of more than one year (see the 6600 series of expenditure/expense account codes). These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as, expenditures/expenses for freight and installation, and other costs necessary to render the item operable.

1531 Vehicles

1539 Furniture and Equipment

1540 Capital Assets - District Defined

This account is used at the discretion of the school district if the school district policy requires the capitalization of items that individually or, as a group, are less than the $5,000 criterion identified in the 1530 accounts (see the 6600 series of expenditure/expense account codes), or local criteria for grouped assets. These assets are owned outright, whether purchased or donated. Included in the cost or estimated fair market value are any costs incurred in acquisition, such as expenditures/expenses for freight and installation, and other costs necessary to render the item operable.

1541 Vehicles

1549 Furniture and Equipment

1550 Assets Purchased Under Capital Leases

Capital lease transactions are authorized by Local Government Code Chapter 271, Subchapter A. This includes the total value of items under long-term capital leases. These types of lease agreements may include a purchase provision. At the inception of
the capital lease, the appropriate capital asset account shown below is debited in the amount of the net present value of the capital lease payments. Assets purchased under capital leases by Governmental Fund Types and Expendable Trust funds are recorded in the general capital asset accounts, while those for Proprietary Fund Types and similar trust funds are accounted for through the appropriate fund. Types of capital assets that may be under capital lease are:

- **R 1551** Buildings
- **R 1559** Furniture and Equipment
- **1560 Library Books and Media**

Use this code grouping to record the value of library books and media. Library books and media such as CDs/DVDs, learning diskettes, software and film may be recorded in a capital assets system as a block of items purchased; however, the library should maintain an acquisition ledger that records the detailed cost of each book.

- **R 1569** Library Books and Media
- **1570 Accumulated Depreciation**

These codes are to be used in those proprietary and trust funds where it is necessary to measure capital maintenance.

- **R 1571** Accumulated Depreciation - Buildings
- **R 1572** Accumulated Depreciation - Vehicles
- **R 1573** Accumulated Depreciation - Furniture and Equipment
- **R 1574** Accumulated Depreciation - Library Books and Media
1576 Accumulated Depreciation - Capital Leases

1577 Accumulated Depreciation – Infrastructure

1578 Accumulated Depreciation - Art and Collections

1579 Accumulated Depreciation – Historical Treasures

1580 Construction in Progress

This account is debited as expenditures/expenses are incurred to record in the Capital Projects Fund or appropriate fund the value of construction that has been accepted by a school district and for which a contractor has been or will be paid. At the completion of construction, this account is credited, and the appropriate capital asset account is debited for the cost of the asset.

1590 Other Capital Assets – Infrastructure, Art, Historical Treasures, and Collections

These accounts include the value of infrastructure assets, art, historical treasures, collections and similar assets. Capital assets of school districts are recorded at cost or estimated cost at the time of acquisition. If infrastructure assets, art, collections and/or historical treasures are donated, these assets are recorded at estimated fair market value at the time of acquisition or donation. Capitalization of collections is encouraged, but is not required if certain conditions are met as prescribed in GASB Statement No. 34.

1591 Infrastructure Assets - Roads

1592 Infrastructure Assets – Drainage Systems

1593 Infrastructure Assets – Water Systems
1594 Infrastructure Assets – Sewer Systems

1595 Infrastructure Assets – Lighting Systems

1596 Infrastructure Assets - Other

1597 Infrastructure Assets – Network or Subsystems of a Network

1598 Art and Collections

1599 Historical Treasures

1600 - 1790 Reserved For Future State Definition

These classifications are reserved for future state designation and are not to be used by the school district.

1800 RESTRICTED ASSETS

These are assets that are set aside for specific purposes. Restrictions on assets generally occur in Proprietary and Fiduciary Fund Types. An example is a scholarship fund that must be used for a specific purpose.

1810 Cash and Temporary Investments

This account is to be used to account for cash and temporary investments that are restricted as to use.

1890 Other Restricted Assets

This account is to be used to account for assets other than cash and temporary investments that are restricted as to use.
1900 OTHER ASSETS

These accounts are to be used to account for other assets not specified above.

R 1910 Long-Term Investments

This account is to be used to account for long-term investments, which are investments that are expected to be held for more than a year or the current operating cycle, whichever is longer. In governmental funds, the long-term investment balance is reflected under reserve of fund balance, code 3490.

See account 1110 for temporary investments.

R 1990 Other Assets

This account is to be used to account for other assets not specified in the 1100 - 1800 series of accounts or account 1910.

1.4.5 Liability Object Codes

Liabilities are probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liability codes are four digit object codes, and are the sixth though ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “2.” School districts may optionally account for transactions at a more detailed level than the level indicated. The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.
Exhibit 33. Liability Object Code Structure

The Code Structure

Object Codes: Liabilities (2XXX)

Indicates a mandatory code for State reporting purposes

Indicates a code that may be used at local option

2000 LIABILITIES

Liabilities are recorded as credits in two broad categories:

(1) current liabilities, and

(2) long-term debts

2100 CURRENT PAYABLES

2110 Accounts Payable

This account represents credit entries for actual liabilities for goods and services received, with the debit entry to an expenditure account. Included in this account would be:
Trade payable - represents amounts due to outside entities resulting from goods or services received. This represents amounts due to vendor that have not been paid at the end of an accounting period.

Judgments payable - represents amounts currently due to claimants or plaintiffs as a result of self-insurance claims, settlements, court judgments, etc.

Delinquent tax attorneys payable - represents amounts collected as “costs” from a taxpayer and subsequently paid to an attorney for collecting delinquent taxes.

2120 Bonds and Loans Payable - Current Year

2121 Bonds Payable - Current Year

This account represents amounts due for current bond coupons or other bond principal payments. Since payments are considered as recurring transactions by generally accepted accounting principles, debits are made to expenditure account 6511, Bond Principal in the Debt Service Fund. Under the modified accrual accounting method, this code is used in the financial statements only if the payment is overdue.

2122 Loans Payable - Current Year

This account represents amounts due for the current year on notes, warrants, or other evidence of nonbonded indebtedness. See Debt section and Accounting for Debt Transactions section for the accounting treatment for short-term debt (debt to be repaid within twelve months).

2123 Other Liabilities - Current

This account represents amounts due (recognized as accrued current liabilities) within one year for miscellaneous liabilities, including compensated absences, workers’ compensation, self-
funded self-insurance, legal claims and judgments, certain pension plan liabilities and other current liabilities (debt to be repaid within twelve months).

\[ R \] 2130  \hspace{1cm} \textbf{Capital Leases Payable - Current Year}

This account represents amounts due as a result of a capital lease agreement. In Governmental Fund Types, the principal payment is to be recorded in the fund in which the lease proceeds amount was recorded. Under the modified accrual accounting method, this code is used in the financial statements only if the payment is outstanding.

2140  \hspace{1cm} \textbf{Interest Payable}

These accounts are credited as interest become currently payable. The contra entries are debits to the respective Interest Expense accounts (account 6520 series). Under the modified accrual accounting method, this code is used in the financial statements only if the payment is outstanding.

\[ R \] 2141  \hspace{1cm} \textbf{Bond Interest Payable}

\[ R \] 2142  \hspace{1cm} \textbf{Loan Interest Payable}

\[ R \] 2143  \hspace{1cm} \textbf{Capital Lease Interest Payable}

2150  \hspace{1cm} \textbf{Payroll Deductions and Withholdings}

These accounts are credited when the net payroll check which is issued to an employee is recorded as a credit to cash and a debit to accrued wages payable. A debit to these accounts occurs when cash is credited and this account is debited as Teacher Retirement System of Texas (TRS), etc., is paid.
2151 Federal Income Taxes

2152 FICA and Medicare Taxes

2153 Group Health and Life Insurance

2154 Credit Union

2155 Teacher Retirement

2159 Other

2160 Accrued Wages Payable

This account represents amounts earned by employees, but not yet paid.

2170 Due to Other Funds

These accounts represent amounts owed to one fund by another fund. The following accounts are included in this classification:

2171 General Fund

This account represents amounts owed to the general fund from other funds of the school district.

2172 Special Revenue Fund

This account represents amounts owed to the special revenue fund from other funds of the school district.
2173 Debt Service Fund

This account represents amounts owed to the debt service fund from other funds of the school district.

2174 Capital Projects Fund

This account represents amounts owed to the capital projects fund from other funds of the school district.

2175 Enterprise Fund

This account represents amounts owed to the enterprise fund from other funds of the school district.

2176 Internal Service Fund

This account represents amounts owed to the internal service fund from other funds of the school district.

2177 Trust and Agency Funds

This account represents amounts owed to the trust and agency funds from other funds of the school district.

2178 Permanent Funds

This account represents amounts owed to the permanent fund from other funds of the school district.

2180 Due to Other Governments

These accounts are used to record amounts owed to other governmental entities.
2181 Due to State

This account is used to record amounts owed to state entities.

2182 Due to Federal Agencies

This account is used to record amounts owed to federal agencies.

2183 Due to Other Governments

This account is used to record amounts owed to other governmental entities, including counties, councils of government, cities and other school districts.

2184 Due to Government Unit - Taxes

This account is used to record amounts owed to government units as a result of one governmental entity collecting ad valorem tax revenues for another.

2190 Due to Student Groups

These accounts are used to record amounts owed to student groups within the agency funds. Amounts recorded as Due to Student Groups equal the difference between amounts recorded as assets and any recorded liabilities of student groups, such as accounts payable (there is not to be an amount reported as fund balance pertaining to student groups under agency funds).

2200 ACCRUED EXPENDITURES/EXPENSES

2210 Accrued Expenditures/Expenses

This account is used to record a liability for services or goods received in the current period which will not be paid until a later
period, not appropriately recorded under another account, such as, accounts payable. The contra entry is to the appropriate expenditure account. This account is debited when the expense is paid.

2300 DEFERRED REVENUE

Deferred Revenue

This account is credited for the amount of receipts not properly recognized at the time as revenues. For the General Fund at the fiscal year end this amount is usually equal to at least the difference between property taxes and the allowance for uncollectible taxes less the amount recorded for 60 days collections, if any, allowed under revenue recognition rules of the Governmental Accounting Standards Board.

<table>
<thead>
<tr>
<th>Object 2310 - Deferred Revenue to Include:</th>
<th>Object 2310 - Deferred Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Advance payment of tuition</td>
<td>• All receipts recognized as revenues</td>
</tr>
<tr>
<td>• Cash advance for a federally funded grant, not yet expended</td>
<td></td>
</tr>
<tr>
<td>• Current and delinquent property taxes due</td>
<td></td>
</tr>
<tr>
<td>• Overpayment of property taxes (current or delinquent) to be applied to future years</td>
<td></td>
</tr>
<tr>
<td>• Preseason football ticket sales</td>
<td></td>
</tr>
<tr>
<td>• Pre-payment of long-term vendor contracts</td>
<td></td>
</tr>
</tbody>
</table>
2400  PAYABLE FROM RESTRICTED ASSETS

These accounts are used to record liabilities that relate to restricted assets. Payables from restricted assets generally are the result of operations from Proprietary and Fiduciary Fund Types. An example is a payment due as a result of a scholarship grant.

R 2410  Construction Contract

R 2420  Fiscal Agent

R 2430  Accrued Interest

R 2440  Other

2500  BONDS AND LOANS PAYABLE - LONG-TERM

R 2510  Bonds Payable - Long-Term

This account represents amounts of outstanding bonded indebtedness to be retired in future accounting periods. These amounts are recorded as credits in the General Long-Term Debt Fund. Whenever bonds become due, this account is debited and account 2121, Bonds Payable - Current Year, is credited in the Debt Service Fund.

R 2511  Deferred Gain/Loss on Defeasance of Bonds

This account represents deferred gain or loss in connection with the defeasance of bonds.

R 2512  Accumulated Accretion on Capital Appreciation Bonds
This account represents the cumulative amount of accreted interest on capital appreciation bonds (CABs). The amount recorded under this object code is accounted for by individual CAB. At the maturity of a CAB, the accreted amount of interest for the CAB plus the discounted value recorded for the CAB debt will equal the face value of the debt instrument.

**R 2516**  
**Premium and Discount on Issuance of Bonds** (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)

This account represents amounts to be amortized as debt premium and/or discount in connection with the issuance of debt. Previously, amounts have been recorded in Account 1430 with the same name; however, this account number is more consistent with reporting the discount or premium as a direct deduction from or addition to the face amount of the liability. The same effect can be produced by grouping account 1430 with the debt accounts in a report-writer package for financial statement preparation purposes.

**R 2520**  
**Loans Payable - Long-Term**

This account is used to record the liability for long-term loans. As installments become currently payable, this account is debited and Account 2122, Loans Payable - Current Year, is credited. This account is used to record long-term loans payable by Proprietary Fund Types and similar trust funds (long-term loans of Governmental Fund types and Expendable Trust funds are recorded in the General Long-Term Debt Fund).

**2530**  
**OTHER LONG-TERM DEBT PAYABLE**

**R 2531**  
**Capital Leases Payable - Long-Term**

This account is used to record amounts due in future accounting periods as the result of a capital lease agreement. These are recorded as credits in the General Long-Term Debt Fund for Governmental Fund Types and Expendable Trust funds and in the
appropriate fund for Proprietary Fund Types and similar trust funds. The amount recorded for a capital lease is the current value of the future lease payments.

**R 2532 Vested Vacation Benefits Payable**

This account is used to record vested vacation benefits. As the benefits accumulate, this account is credited for amounts that will not be liquidated during the current fiscal year upon the retirement or resignation of personnel. The contra entry is to account 1640 Amounts to be Provided for Payment of Vested Vacation Benefits and account 1740 Amounts Available for Payment of Vested Vacation Benefits.

**R 2590 Other Long-Term Liabilities**

This account is used to record long-term liabilities not defined elsewhere. This account represents amounts due after more than one year from the balance sheet date (recognized as accrued long-term liabilities) for miscellaneous liabilities, including compensated absences, workers’ compensation, self-funded self-insurance, legal claims and judgments, certain pension plan liabilities and other long-term liabilities (debt to be repaid beyond the following twelve-month period).

### 1.4.6 Fund Balances/Net Assets Object Codes

Fund balances/net assets represent the difference between the assets and liabilities of a fund. These codes are four digit object codes, and are the sixth through ninth digits in the code structure described in the Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “3.” School districts may optionally account for transactions at a more detailed level than the level indicated. The **R** by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.

In preparation for implementation of GASB 54, which clarifies definitions of governmental fund types, the proposed new accounts have been listed for those districts interested in
early implementation (these accounts have not been added for PEIMS reporting yet). The new account descriptions for those account titles to be changed appear after a forward slash for the account name. In adding or modifying accounts, TEA has tried to maintain similar classifications to those used in the past for ease of implementation. GASB 54 is required to be implemented for all districts for their fiscal year ending in 2011.

Exhibit 34. Fund Balances/Net Assets Object Code Structure

The Code Structure

Object Codes:

- Fund Balances (3XXX)
- Fund Net Assets and Equity

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Indicates a mandatory code for State reporting purposes

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Indicates a code that may be used at local option

3000

FUND BALANCES/NET ASSETS

*Fund balances and net assets* are recorded as credits to six categories prior to the implementation of GASB 54:

(1) Invested in Capital Assets, Net of Related Debt

(2) Restricted Net Assets
(3) Unrestricted Net Assets
(4) Reserved Fund Balance
(5) Designated Fund Balance
(6) Unreserved, Undesignated Fund Balance

The first 3 categories apply to the government-wide financial statements, while the second 3 categories apply to governmental fund financial statements.

*Fund balances and net assets* are recorded as credits to eight categories after the implementation of GASB 54:

(1) Invested in Capital Assets, Net of Related Debt
(2) Restricted Net Assets
(3) Unrestricted Net Assets
(4) Nonspendable Fund Balance
(5) Restricted Fund Balance
(6) Committed Fund Balance
(7) Assigned Fund Balance
(8) Unassigned Fund Balance

The first 3 categories apply to the government-wide financial statements, while the second 5 categories apply to governmental fund financial statements.
3200  INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

This account is used to record the net asset component - invested in capital assets, net of related debt – which represents total capital assets less accumulated depreciation less debt directly related to capital assets. This account is reported in the government-wide financial statements and in financial statements for Proprietary Fund Types and/or fiduciary funds of a school district.

3300  Reserved For Future State Definition

3400-3600  FUND BALANCE

3400  RESERVED / NONSPENDABLE OR RESTRICTED FUND BALANCE

These accounts are used to record reserved / nonspendable or restricted fund balances. Reserved / Nonspendable fund balance is that portion of fund equity which is not available for appropriation. Restricted fund balance is that portion of fund equity which has been legally separated for a specific purposes.

☐ 3410  Reserve for Investment in Inventories / Nonspendable Inventories

This account is used to record the reserve / nonspendable portion for investment in inventories, which must agree with the inventory balance in account 1310, Inventories - Supplies and Materials, except for commodity inventories. Commodity inventories received through the US Department of Agriculture are to be offset with deferred revenue and not the reserve for inventories.

☐ 3415  Nonspendable Long-Term Loans/Notes Receivable (Effective July 1 or September 1, 2010 depending on fiscal year)
This account is used to record the nonspendable amount of long-term loans or notes receivable.

**R 3420 Reserve for Retirement of Long-Term Debt (Delete effective July 1 or September 1, 2010 depending on fiscal year)**

This account is used to record the reserve of the Debt Service Fund for retirement of long-term debt, which represents the amounts necessary to retire long-term debt principal prior to implementation of GASB 54. After implementation of GASB 54, these amounts are to be recorded in 3480).

**R 3425 Nonspendable Endowment Principal (Effective July 1 or September 1, 2010 depending on fiscal year)**

This account is used to record the nonspendable principal amount of a permanent fund.

**R 3430 Reserve for Prepaid Items / Nonspendable Prepaid Items**

This account is used to record the reserve / nonspendable portion of fund balance to indicate that prepaid items included in assets do not represent expendable available financial resources.

**R 3440 Reserve for Outstanding Encumbrances (Delete effective July 1 or September 1, 2010 depending on fiscal year)**

This account is used to account for the reserve for encumbrances representing commitments related to unperformed contracts for goods or services. Refer to the Encumbrance Accounting section for further guidance on encumbrances prior to implementation of GASB 54. Subsequent to implementation of GASB 54, amounts are reported as a commitment or assignment according to the purpose of the expenditure.
\hspace{1cm} R\hspace{1cm} 3445 \hspace{1cm} \text{Nonspendable Other (Effective July 1 or September 1, 2010 depending on fiscal year)}

This account is used to account for any other items meeting the definition of nonspendable.

\hspace{1cm} R\hspace{1cm} 3450 \hspace{1cm} \text{Reserve for Food Service / Restricted for Federal /State Funds Grant Restrictions}

This account is used to record the reserve for food service that represents the amount available for the food service program pursuant to the mandates of the National School Lunch and Breakfast Program. After implementation of GASB 54, it will reflect restrictions for any federal or state grant balances.

\hspace{1cm} R\hspace{1cm} 3460 \hspace{1cm} \text{Reserve / Restricted for Fund Balances of Consolidated School Districts}

This reserve / restriction is used for fund balances of school district(s) that were consolidated under Subchapter H, Chapter 41, \text{Texas Education Code} (TEC). Amounts reserved / restricted under this code may be used only for the benefit of the schools of the previously existing individual school districts that generate the funds.

\hspace{1cm} R\hspace{1cm} 3470 \hspace{1cm} \text{Reserve / Restricted for Capital Acquisitions and Contractual Obligations}

This account is used for recording the reserve / restriction for contractual obligations issued, representing funds available to purchase personal property items pursuant to the school district’s “Resolution or Order Authorizing the Sale of Contractual Obligations.” Examples include contractual obligations issued directly by a district, or those issued through participation in a program such as CAP-- Capital Acquisition Program.
3480 Restricted for Retirement of Long-Term Debt (Effective July 1 or September 1, 2010 depending on fiscal year)

This account is used to record the restriction of the Debt Service Fund for retirement of long-term debt, which represents the amounts necessary to retire long-term debt principal.

3490 Other Reserves / Restrictions of Fund Balance

This account is used to record other reserves / restrictions of fund balance not described above.

3500 DESIGNATED / COMMITTED OR ASSIGNED FUND BALANCE

The designated / committed or assigned fund balance represents tentative plans for the future use of financial resources. Designations /commitments require Board action to earmark fund balance for bona fide purposes that will be fulfilled within a reasonable period of time. Assignments do not require approval in the board minutes and can also be made by an official or body to which the board has delegated authority. Funds other than the general fund report the remainder fund balance as assigned.

3510 Designated / Committed Fund Balance - Construction

This account is used to record the designation /commitment for construction plans by the school district for construction projects not funded by bonded debt.

3520 Designated / Committed Fund Balance - Claims and Judgments

This account is used to record the designation /commitment for claims and judgments and represents funds earmarked for payment for such purposes.
R 3525 Committed Fund Balance – Retirement of Loans/Notes Payable (Effective July 1 or September 1, 2010 depending on fiscal year)

This account is used to record the commitment for loans and notes payable and represents funds earmarked for payment for such purposes. This relates to loans and notes payable committed by the board vs. the restrictive terms of the bond.

R 3530 Designated / Committed Fund Balance - Capital Expenditures for Equipment

This account is used to record the designation/commitment for capital expenditures for equipment representing plans by the school district for major equipment expenditures not funded by bonded debt or Caps funds.

R 3540 Designated / Committed Fund Balance - Self-Insurance

This account is used to record the designation/commitment for self-insurance representing funds set aside by the school district for actuarial liabilities of self-insurance programs.

R 3545 Other Committed Fund Balance (Effective July 1 or September 1, 2010 depending on fiscal year)

This account is used to record other commitments of fund balance not described above.

R 3550 Assigned Fund Balance – Construction (Effective July 1 or September 1, 2010 depending on fiscal year)

This account is used to record the assignment for construction represents plans by the school district for construction projects not funded by bonded debt.
<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
</table>
| R3560        | Assigned Fund Balance - Claims and Judgments | (Effective July 1 or September 1, 2010 depending on fiscal year)  
This account is used to record the assignment for claims and judgments and represents funds earmarked for payment for such purposes. |
| R3565        | Assigned Fund Balance – Retirement of Loans/Notes Payable | (Effective July 1 or September 1, 2010 depending on fiscal year)  
This account is used to record the assignment for loans and notes payable and represents funds earmarked for payment for such purposes. |
| R3570        | Assigned Fund Balance - Capital Expenditures for Equipment | (Effective July 1 or September 1, 2010 depending on fiscal year)  
This account is used to record the assignment for capital expenditures for equipment representing plans by the school district for major equipment expenditures not funded by bonded debt or Caps funds. |
| R3580        | Assigned Fund Balance - Self-Insurance | (Effective July 1 or September 1, 2010 depending on fiscal year)  
This account is used to record the assignment for self-insurance representing funds set aside by the school district for actuarial liabilities of self-insurance programs. |
| R3590        | Other Designated / Assigned Fund Balance | This account is used to record other designations /assignments of fund balance not described above. |
3600 UNRESERVED, UNDESIGNATED / UNASSIGNED FUND BALANCE

The unreserved, undesignated / unassigned fund balance represents that portion of fund equity that is currently available to finance expenditures/expenses not already approved by the Board of Trustees or described under GASB 54 as the amount in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).

3700 BUDGETARY FUND BALANCE - Locally Defined

The budgetary fund balance code may be used to offset Object Control Codes 5010, 6010, 7010, and 8010. This account will have a zero balance at fiscal year end.

3800 RESTRICTED NET ASSETS

This account is used to record the net asset component – restricted net assets – which represents net assets restricted by a source external to the district. This account is reported in the government-wide financial statements and in financial statements for Proprietary Fund Types and/or fiduciary funds of a school district.

3900 UNRESTRICTED NET ASSETS

This account is used to record the net asset component – unrestricted net assets – which is reported in the government-wide financial statements and in financial statements for Proprietary Fund Types and/or fiduciary funds of a school district. Unrestricted net assets represents any net assets not classified in accounts 3200 and 3800.
1.4.7 Clearing Account Object Codes

Clearing account codes are four digit object codes, and are the sixth through ninth digits in the code structure described in Account Code Overview. These codes are distinguished from other types of object codes as they always begin with the digit “4.” School districts may optionally account for transactions at a more detailed level than the level indicated. The by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.

Exhibit 35. Clearing Account Object Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group Option Codes</th>
<th>Function Option Codes</th>
<th>Object Option Codes</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization Option Codes</th>
<th>Fiscal Year Option Codes</th>
<th>Program Intent Code Option Codes</th>
<th>Local Option Codes 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X</td>
<td>X X X X</td>
<td>X X</td>
<td>X X X X</td>
<td>X X</td>
<td>X X X</td>
<td>X</td>
<td>X X</td>
</tr>
</tbody>
</table>

Object Codes:
Clearing Accounts (4XXX)

---

Indicates a mandatory code for State reporting purposes

---

Indicates a code that may be used at local option
These codes differ from other object codes as they are not reflected in the accounts shown on the school district’s financial statements. Clearing accounts are used to balance the accounting records during interim periods and are closed to other accounts at the end of the fiscal year. Additional clearing accounts may be utilized as needed by a local school district.

**4000**  **CLEARING ACCOUNTS**

**4300**  **ENCUMBRANCE RESERVES**

**4310**  **Reserve for Encumbrances - Locally Defined**

This code is used, at the option of the school district, to record a credit entry when encumbrances are incurred. At year-end, this account is closed against outstanding encumbrances. The amount of valid encumbrances will be classified in account 3440, Reserve for Outstanding Encumbrances, to be re-encumbered at the beginning of the new fiscal year.
1.4.8 Revenue Object Codes

Revenues are defined as an increase in a school district’s current financial resources. These codes are distinguished from other types of object codes as they always begin with the digit “5.”

The school district’s accounting records are to reflect revenues at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (both budget and actual) purposes. If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

The R by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.
The Code Structure

Governmental Accounting Standards Board (GASB) Codification 1600.106 states that revenues and other governmental fund financial resource increments are recognized when they are susceptible to accrual, which means they must be both measurable and available. Revenues are measurable when the amount of the revenues is subject to reasonable estimation. To be available, revenues must be subject to collection within the current period, or after the end of the period but in time to pay liabilities outstanding at the end of the current period.

Revenues recorded in the Proprietary Fund Type and similar trust funds are recognized when earned in essentially the same manner as in commercial accounting.

School districts must account for a variety of revenues, including property taxes, foundation fund entitlements, user charges and grants.

Revenue object codes are four digit object codes, and are the sixth through ninth digits in the code structure.
5000  **REVENUE CONTROL ACCOUNTS**

These codes consist of accounts that summarize estimated (budgeted) and actual (realized) revenues. These are optional codes and accounts that may be used in financial accounting applications for school districts.

5010  **Estimated Revenues - Control - Locally Defined**

This account is debited at the beginning of the period for the amount of revenues anticipated. The credit entry is to the object code 3700 - Budgetary Fund Balance and this account is closed at year end. This control account is to be used at the option of the school district.

5020  **Realized Revenues - Control - Locally Defined**

This account is credited for the total revenues realized (including any accrued amounts) during the period. The postings to the Revenue Ledger (detail revenue accounts) must be equal to this total realized revenue control account. The debit entry is to cash or a receivable account. At the end of the period this account is closed to Fund Balance. This control account is to be used at the option of the school district.

5700-5900  **REVENUES**

Revenues are credited in the accounting period in which they become available and measurable.

5700  **REVENUES FROM LOCAL AND INTERMEDIATE SOURCES**

5710  **Local Real and Personal Property Taxes**
All revenues from local real and personal property taxes are to be recorded in this code class. School districts should carefully classify tax (actual levy) and other tax revenues, such as penalties and interest, since tax collections impact state funding. This code class applies to school districts including component school districts of a consolidated taxing district.

**R 5711 Taxes, Current Year Levy**

This code is used to classify revenues realized as a result of collecting taxes for real and personal property as levied for the current year. This code is also used to classify revenues that are the current year component share of taxes from a consolidated taxing district. This includes past due, current delinquent and supplemental taxes for the current year levy. Taxes collected from current year assessments are to be prorated between the General and Debt Service Funds as applicable. School districts that elect to provide separate accounting for past due, current delinquent and supplemental taxes for the current year levy may use local option codes to do so.

<table>
<thead>
<tr>
<th>Object 5711 Revenue to Include:</th>
<th>Object 5711 Revenue to Exclude (with correct object):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Taxes collected for the current year levy, October 1 to January 31</td>
<td>• Prior year taxes (taxes levied in prior years, Object 5712)</td>
</tr>
<tr>
<td>• Current delinquent taxes collected (for the current year levy)</td>
<td>• All taxes collected other than current year tax levy (Object 5712)</td>
</tr>
<tr>
<td>collected (for the current year levy) between February 1 and the</td>
<td>• Penalties and interest (Object 5719)</td>
</tr>
<tr>
<td>district’s fiscal year-end</td>
<td>• Delinquent tax collection fees charged to taxpayer and paid to an attorney</td>
</tr>
<tr>
<td>• Supplemental taxes, taxes from litigation, taxes under protest or</td>
<td>(Object 2110)</td>
</tr>
<tr>
<td>other taxes not certified on the original approved roll</td>
<td>• Overpayment of taxes for current year levy (Object 2310 for deferred revenue</td>
</tr>
<tr>
<td>• Current delinquent taxes accrued for the 60 days beginning</td>
<td>or Object 2110 for refund of overpaid taxes)</td>
</tr>
<tr>
<td>September 1 and ending October 30 or July 1 and ending August</td>
<td></td>
</tr>
<tr>
<td>29, depending on the district’s</td>
<td></td>
</tr>
</tbody>
</table>
### Object 5711 Revenue to Include:
- Fiscal year

### Object 5711 Revenue to Exclude (with correct object):

#### Object 5712

**Taxes, Prior Years**

This code is used to classify revenues realized as a result of collecting taxes for real and personal property as levied for prior years, including taxes which may have previously been determined to be uncollectible. This code includes supplements to the prior year tax rolls. Taxes collected from prior year assessments are to be prorated between the General and Debt Service Funds according to the tax rates of the year of levy, as applicable.

<table>
<thead>
<tr>
<th>Object 5712 Revenue to Include:</th>
<th>Object 5712 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- All taxes collected for prior year levies</td>
<td>- All taxes collected for current year levy (Object 5711)</td>
</tr>
<tr>
<td>- Taxes collected against county education district receivables purchased from successor-in-interest</td>
<td>- Penalties and interest (Object 5719)</td>
</tr>
<tr>
<td>- Prior year delinquent taxes accrued for 60 days beginning September 1 through October 30 or July 1 through August 29 depending on the district’s fiscal year end</td>
<td>- Delinquent tax collection fees charged to taxpayer and paid to an attorney (Object 2110)</td>
</tr>
<tr>
<td>- Local revenue received from former successor-in-interest entity of a former county education district</td>
<td>- Overpayment of taxes for current year levy (Object 2310 for deferred revenue or object 2110 for refund of overpaid taxes)</td>
</tr>
</tbody>
</table>

#### 5713-5715 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
5716-5718 Penalties, Interest and Other Tax Revenues - Locally Defined (Convert to Object Code 5719 for PEIMS)

These codes are used, at the option of the school district, to classify tax revenues not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5719, Penalties, Interest and Other Tax Revenues. These accounts should not include any tax levy, all of which is classified in either account 5711 or account 5712.

\[ 5719 \]
Penalties, Interest and Other Tax Revenues

This code is used to classify revenues realized as a result of collecting tax revenues other than those specified above, including penalties and interest. Any locally defined codes that are used at the local option are to be converted to account 5719 for PEIMS reporting. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, and not classified as revenues.

<table>
<thead>
<tr>
<th>Object 5719 Revenue to Include:</th>
<th>Object 5719 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All penalties and interest for tax collection</td>
<td>• Current year taxes (Object 5711)</td>
</tr>
<tr>
<td></td>
<td>• Prior year delinquent taxes (Object 5712)</td>
</tr>
<tr>
<td></td>
<td>• Delinquent tax collection fees charged to taxpayer and paid to an attorney (Object 2110)</td>
</tr>
</tbody>
</table>

5720 Local Revenues Realized as a Result of Services Rendered to Other School Districts

\[ 5721 \]
Local Revenues Resulting from Sale of Weighted Average Daily Attendance (WADA) to Other School Districts
This code is used to classify revenues realized from the sale of WADA to other school districts. This account is used only for any amount in excess of what the school district would normally receive from the Foundation School Program Act.

<table>
<thead>
<tr>
<th>Object 5721 Revenue to Include:</th>
<th>Object 5721 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues in excess of what the district would normally receive from the Foundation School Program Act</td>
<td>All other revenues</td>
</tr>
</tbody>
</table>

**Shared Services Arrangements - Local Revenues from Member Districts**

This code is used to classify local revenues realized from member districts of a shared services arrangement by a fiscal agent. The revenues realized by fiscal agents in this account should agree with the member districts’ expenditures in account 6492, Payments to Fiscal Agents of Shared Services Arrangements.

<table>
<thead>
<tr>
<th>Object 5722 Revenue to Include:</th>
<th>Object 5722 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples of revenues classified in this account are:</td>
<td>State funded revenue from shared service arrangements (Object 5841)</td>
</tr>
<tr>
<td>• Local revenue from member districts of shared services arrangements</td>
<td>• Federal revenue from shared service arrangements (Object 5951)</td>
</tr>
<tr>
<td>• All or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local/state special education funds for sharing of personnel such as a program director, counselors, diagnosticians and speech therapists</td>
<td></td>
</tr>
<tr>
<td>• Local funds for sharing of</td>
<td></td>
</tr>
</tbody>
</table>
### Object 5722 Revenue to Include:

- personnel, such as librarians, counselors and nurses

### Object 5722 Revenue to Exclude:

<table>
<thead>
<tr>
<th>Object 5723 Revenue to Include:</th>
<th>Object 5723 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples of revenues classified in this account are:</td>
<td></td>
</tr>
<tr>
<td>• Local revenues received from fiscal agent of shared service arrangement</td>
<td></td>
</tr>
<tr>
<td>• All or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local/state special education funds for sharing of personnel such as a program director, counselors, diagnosticians and speech therapists</td>
<td></td>
</tr>
<tr>
<td>• Local/state funds for sharing of program personnel, such as librarians, counselors and nurses</td>
<td></td>
</tr>
<tr>
<td>• State revenues received from fiscal agent of shared service arrangement (Object 5842)</td>
<td></td>
</tr>
<tr>
<td>• Federal revenue received from fiscal agent of shared service arrangement (Object 5952)</td>
<td></td>
</tr>
</tbody>
</table>

**5724-5726 Reserved for Future State Definition**
These codes are reserved for future state designation and are not to be used by the school district.

**5727-5728 Local Revenues Resulting from Services Rendered to Other School Districts - Locally Defined (Convert to Object Code 5729 for PEIMS)**

These codes are used, at the option of the school district, to classify revenues resulting from services rendered to other school districts not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5729, Local Revenue Resulting from Services Rendered to Other School Districts.

**5729 Local Revenues Resulting from Services Rendered to Other School Districts**

This code is used to classify revenues realized from services rendered to other school districts not specified above.

Any locally defined accounts that are used at the local option are to be converted to account 5729 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5729 Revenue to Include:</th>
<th>Object 5729 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revenue for services to other school districts such as printing, transportation and maintenance services</td>
<td>• Tuition from local sources (Object 5739)</td>
</tr>
<tr>
<td>• Tuition from other school districts</td>
<td></td>
</tr>
<tr>
<td>• Revenue received from other districts as registration fees for staff development</td>
<td></td>
</tr>
<tr>
<td>• Tuition paid from one school district to another resulting in entire grades of students being transferred to provide grade levels not taught by the sending school</td>
<td></td>
</tr>
<tr>
<td>Object 5729 Revenue to Include:</td>
<td>Object 5729 Revenue to Exclude:</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>district</td>
<td></td>
</tr>
<tr>
<td>• Tuition paid for an enhanced service for specific students not offered by the sending school district</td>
<td></td>
</tr>
<tr>
<td>• Tuition paid for students being transferred under the Public Education Grant Program, Section 29.201, TEC</td>
<td></td>
</tr>
</tbody>
</table>

**5730 Tuition and Fees**

**5731-5734 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

**5735-5738 Tuition and Fees - Locally Defined (Convert to Object Code 5739 for PEIMS)**

These codes are used, at the option of the school district, to classify tuition and fees not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5739, Tuition and Fees.

**5739 Tuition and Fees from Local Sources**

This code is used to classify revenues realized for tuition and fees from local sources.

Any locally defined codes that are used at the local option are to be converted to account 5739 for PEIMS reporting.
<table>
<thead>
<tr>
<th>Object 5739 Revenue to Include:</th>
<th>Object 5739 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driver education tuition</td>
<td>Tuition from other school districts (object 5729)</td>
</tr>
<tr>
<td>Tuition from out of district patrons -regular day school</td>
<td></td>
</tr>
<tr>
<td>Tuition from over age students</td>
<td></td>
</tr>
<tr>
<td>Tuition for summer school</td>
<td></td>
</tr>
<tr>
<td>Tuition from early childhood programs</td>
<td></td>
</tr>
</tbody>
</table>

5740 Other Revenues from Local Sources

**R 5741 Earnings from Permanent Funds and Endowments**

This code is used to classify revenues realized as a result of earnings from local permanent school funds and endowments, including net earnings from rentals and leases of property purchased from, or set aside as, part of the local permanent funds.

<table>
<thead>
<tr>
<th>Object 5741 Revenue to Include:</th>
<th>Object 5741 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings from permanent school funds and endowments</td>
<td>All other revenues</td>
</tr>
</tbody>
</table>

**R 5742 Earnings from Temporary Deposits and Investments**

This code is used to classify revenues realized as a result of earnings from deposits and investments. Market losses are
reflected as a debt entry to 5742 and gains as a credit entry to 5742.

<table>
<thead>
<tr>
<th>Object 5742 Revenue to Include:</th>
<th>Object 5742 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest from:</td>
<td></td>
</tr>
<tr>
<td>• Market gains</td>
<td>• Earnings from local permanent funds and endowments (Object 5741)</td>
</tr>
<tr>
<td>• U.S. government agency securities</td>
<td></td>
</tr>
<tr>
<td>• Commercial paper</td>
<td></td>
</tr>
<tr>
<td>• Sweep accounts</td>
<td></td>
</tr>
<tr>
<td>• Certificates of deposit</td>
<td></td>
</tr>
<tr>
<td>• Texas local governments (Texas municipalities)</td>
<td></td>
</tr>
<tr>
<td>• Investment pools</td>
<td></td>
</tr>
</tbody>
</table>

### 5743 Rent

This code is used to classify revenues realized from rental of facilities or other property.

<table>
<thead>
<tr>
<th>Object 5743 Revenue to Include:</th>
<th>Object 5743 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rent of a stadium, activity center, gym, school or other district owned facility</td>
<td>• Ticket sales to athletic events (Object 5752)</td>
</tr>
<tr>
<td></td>
<td>• Revenue from</td>
</tr>
</tbody>
</table>
Revenue from Foundations, Other Non-Profit Organizations, Gifts and Bequests

This code is used to classify revenue from foundations, other non-profit organizations, and gifts and bequests received from philanthropic or private businesses, or individuals.

Insurance Recovery

This code is used to classify amounts received from insurance companies for the repair or replacement of the insured property for assets of Governmental Fund Types and Expendable Trust Funds.
This code is used to classify amounts received for financing a tax increment fund. The expenditures associated with these revenues should be recorded in the general fund, under function code 97 - Tax Increment Fund and should be disbursed using object code 6499.

<table>
<thead>
<tr>
<th>Object 5746 Revenue to Include:</th>
<th>Object 5746 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Property taxes collected for Tax Increment Fund</td>
<td>• Taxes collected for the current year levy, October 1 to January 31 (Object 5711)</td>
</tr>
<tr>
<td></td>
<td>• Current delinquent taxes collected (for the current year levy) between February 1 and August 31 or June 30 depending on the district’s fiscal year (Object 5711)</td>
</tr>
<tr>
<td></td>
<td>• Supplemental taxes, taxes from litigation, taxes under protest or other taxes not certified on the original approved roll (Object 5711)</td>
</tr>
<tr>
<td></td>
<td>• Current delinquent taxes accrued for the 60 days beginning September 1 and ending October 30 or July 1 and ending August 29 depending on the district’s fiscal year (Object 5711)</td>
</tr>
<tr>
<td></td>
<td>• All taxes collected for prior year levies (Object 5712)</td>
</tr>
<tr>
<td></td>
<td>• Taxes collected against county education district receivables purchased from successor-in-interest (Object 5712)</td>
</tr>
<tr>
<td></td>
<td>• Prior year delinquent taxes accrued for 60 days beginning</td>
</tr>
</tbody>
</table>
### Object 5746 Revenue to Include:

- September 1 through October 30
- or July 1 through August 29 depending on the district’s fiscal year end (Object 5712)

### Object 5746 Revenue to Exclude:

#### 5747 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

#### 5748 Other Revenues from Local Sources - Locally Defined (Convert to Object Code 5749 for PEIMS)

This code is used, at the option of the school district, to classify revenues realized from local sources not defined elsewhere. For PEIMS reporting, this account is converted to account 5749, Other Revenue from Local Sources.

#### 5749 Other Revenues from Local Sources

This code is used to classify other revenues realized from local sources not specified above. Any locally defined codes that are used at the local option are to be converted to account 5749 for PEIMS reporting.

### Object 5749 Revenue to Include:

- Miscellaneous revenue not identified in other revenue coding 57XX. For example:
  - Library fines
  - Revenue from sale of materials

### Object 5749 Revenue to Exclude:

- Concession sales specifically attributable to athletics (in accordance with local policy; Object 5752)
<table>
<thead>
<tr>
<th><strong>Object 5749 Revenue to Include:</strong></th>
<th><strong>Object 5749 Revenue to Exclude:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>requested under open records</td>
<td></td>
</tr>
<tr>
<td>• Sale of curriculum materials</td>
<td></td>
</tr>
<tr>
<td>• Revenue from copy machines</td>
<td></td>
</tr>
<tr>
<td>usage</td>
<td></td>
</tr>
<tr>
<td>• Concession sales not</td>
<td></td>
</tr>
<tr>
<td>specifically attributable to</td>
<td></td>
</tr>
<tr>
<td>athletics (in accordance with</td>
<td></td>
</tr>
<tr>
<td>local policy)</td>
<td></td>
</tr>
<tr>
<td>• Application fees for tax</td>
<td></td>
</tr>
<tr>
<td>value limitation agreements (Ex.</td>
<td></td>
</tr>
<tr>
<td>Chapter 313)</td>
<td></td>
</tr>
</tbody>
</table>

**5750 Revenues from Cocurricular, Enterprising Services or Activities**

**R 5751 Food Service Activity**

This code is used to classify revenues realized from food service activities, including payments for meals from students and adults. This account does not include revenues realized from participation in the National School Lunch and Breakfast Programs or USDA commodities which are classified in account 5921, National School Breakfast Program; account 5922, National School Lunch Program; and 5923, USDA Commodities for those school districts that account for food service operations in the general or special revenue fund. School Districts that use an Enterprise Fund to account for food service operations should use accounts 7952, National School Breakfast Program, 7953, National School Lunch Program and account 7954, USDA Commodities.

<table>
<thead>
<tr>
<th><strong>Object 5751 Revenue to Include:</strong></th>
<th><strong>Object 5751 Revenue to Exclude:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Full price payments for student</td>
<td>In the General and Special Revenue</td>
</tr>
<tr>
<td>and adult meals including:</td>
<td>Funds:</td>
</tr>
</tbody>
</table>
### Object 5751 Revenue to Include:

- Sale of milk
- Catering fees
- Reduced meal prices paid by students
- Sale of a la carte items

### Object 5751 Revenue to Exclude:

- A. Federal School Breakfast Program (Object 5921), Federal School Lunch Program (Object 5922), and Department of Agriculture (USDA) Commodities (Object 5923)
- In the Enterprise Fund:
  - B. National School Breakfast Program (Object 7955). National School Lunch Program (Object 7953) Department of Agriculture Commodities (Object 7954)

### R 5752 Athletic Activities

This code is used to classify revenues realized from athletic activities, including admission and gate receipts.

### Object 5752 Revenue to Include:

- Ticket sales to athletic events
- Concession sales specifically attributable to athletics (in accordance with local policy)

### Object 5752 Revenue to Exclude:

- Rental of a stadium, gym or other athletic facility (Object 5743)
- Concession sales not specifically attributable to athletics (in accordance with local policy; Object 5749)

### R 5753 Extracurricular Activities Other than Athletics

This code is used to classify revenues realized from extracurricular activities other than athletics.
### Object 5753 Revenue to Include:

- Ticket sales or entry fees for extracurricular events where recorded by the district rather than by a student activity fund, according to local policy

### Object 5753 Revenue to Exclude:

- Athletic gate receipts (Object 5752)

### R 5754 Interfund service provided and used Interfund Transactions

This code is used to classify revenues realized from fees charged to users and recorded in an Internal Service Fund.

### Object 5754 Revenue to Include:

- Fees charged by a printing department operated as an internal service fund
- Health insurance or worker’s compensation premiums charged for insurance programs operated on a self-funded basis as an internal service fund

### Object 5754 Revenue to Exclude:

- Interest earned on deposits accounted for in the internal service fund (Object 7955)

### R 5755 Enterprising Services Revenue

This code is used to classify gross revenues realized from vending machines, school stores, coke machines, etc., not related to the regular food service program. Items purchased for resale are to be classified in the appropriate expenditure object code in Function 36, Cocurricular/Extracurricular Activities.
5756  Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the school district.

5757-5758  Cocurricular, Enterprising Services or Activities - Locally Defined (Convert to Object Code 5759 for PEIMS)

These codes are used, at the option of the school district, to classify revenues realized from cocurricular or enterprising services or activities not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5759, Cocurricular, Enterprising Services or Activities.

5759  Cocurricular, Enterprising Services or Activities

This code is used to classify revenues realized from cocurricular or enterprising services/activities not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5759 for PEIMS reporting.

5760  Revenues from Intermediate Sources

5761-5765  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5766-5768  Revenues from Intermediate Sources - Locally Defined (Convert to Object Code 5769 for PEIMS)

These codes are used, at the option of the school district, to classify revenues realized from intermediate sources not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5769, Miscellaneous Revenue from Intermediate Sources.
5769 Miscellaneous Revenues from Intermediate Sources

This code is used to classify revenues realized from administrative units or political subdivisions (i.e., counties, municipalities, utility districts, etc.) excluding state and federal governmental entities. Any locally defined codes that are used at the local option are to be converted to account 5769 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5769 Revenue to Include:</th>
<th>Object 5769 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revenue from the city, county or other non-school district local government or administrative unit</td>
<td>• Revenue from other school districts (Object 5729)</td>
</tr>
<tr>
<td></td>
<td>• Revenue from state government entity (Object 58XX)</td>
</tr>
<tr>
<td></td>
<td>• Revenue from federal governmental entities (Object 59XX)</td>
</tr>
</tbody>
</table>

5770-5790 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5800 STATE PROGRAM REVENUES

5810 Per Capita and Foundation School Program Act Revenues

This code is used to classify revenues realized from the Texas Education Agency, allocated on the basis of state law relating to the Foundation School Program Act.
### 5811 Per Capita Apportionment

This code is used to classify revenues realized from the State Available School Fund.

<table>
<thead>
<tr>
<th>Object 5811 Revenue to Include:</th>
<th>Object 5811 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Available School Fund revenues</td>
<td>• State technology and textbook allotment (Object 5829)</td>
</tr>
<tr>
<td></td>
<td>• Foundation School Fund revenues (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Public Education Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Optional Extended Year (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Parenting, Education and Pregnancy Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• State Supplemental Visually Impaired or Regional Day School for the Deaf (Object 5812)</td>
</tr>
</tbody>
</table>

### 5812 Foundation School Program Act Entitlements

This code is used to classify revenues realized for public schools participating in, and eligible for, benefits under the Foundation School Program Act.

<table>
<thead>
<tr>
<th>Object 5812 Revenue to Include:</th>
<th>Object 5812 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object 5812 Revenue to Include:</td>
<td>Object 5812 Revenue to Exclude:</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>• The portion of a Chapter 41 receipt received from a Chapter 41 district that corresponds to the reduction in state aid of a Chapter 42 district</td>
<td>• State technology and textbook allotment (Object 5829)</td>
</tr>
<tr>
<td>• Foundation School Fund Chapter 42 revenues</td>
<td>• Available School Fund revenues (Object 5811)</td>
</tr>
<tr>
<td>• Optional Extended Year</td>
<td>• Federal revenue passed through a state agency (Object 5939)</td>
</tr>
<tr>
<td>• Parenting, Education and Pregnancy Grant (PEP)</td>
<td></td>
</tr>
<tr>
<td>• State Supplemental Visually Impaired or Regional Day School for Deaf</td>
<td></td>
</tr>
<tr>
<td>• Public Education Grant</td>
<td></td>
</tr>
<tr>
<td>• High School Allotment</td>
<td></td>
</tr>
</tbody>
</table>

**R 5813 Foundation School Program Act Incentive Aid**

This code is used to classify revenues realized to assist eligible school districts under Subchapter G, Chapter 13, Texas Education Code.

**5814-5816 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.
5817-5818  Foundation School Program Act Revenues - Locally Defined  
(Conver to Object Code 5819 for PEIMS)

These codes are used, at the option of the school district, to classify 
revenues realized from the foundation fund not defined elsewhere. 
For PEIMS reporting, these accounts are converted to account 
5819, Other Foundation Fund Program Act Revenues.

5819  Other Foundation School Program Act Revenues

This code is used to classify revenues realized from the foundation 
school program not specified above. Any locally defined codes 
that are used at the local option are to be converted to account 
5819 for PEIMS reporting.

5820  State Program Revenues Distributed by Texas Education 
Agency

This code is used to classify revenues realized from the Texas 
Education Agency for state programs that may be funded through 
appropriations other than from the Foundation School Program 
Act.

5821-5825  Reserved for Future State Definition

These codes are reserved for future state designation and are not to 
be used by the school district.

5826-5828  Revenues from Other State Programs - Locally Defined  
(Conver to Object Code 5829 for PEIMS)

These codes are used, at the option of the school district, to classify 
revenues realized from other state programs not defined elsewhere. 
For PEIMS reporting, these accounts are converted to account 
5829, State Program Revenues Distributed by Texas Education 
Agency.
**R 5829 State Program Revenues Distributed by Texas Education Agency**

This code is used to classify revenues realized from the Texas Education Agency for programs not specified above. Any locally defined codes that are used at the local option are to be converted to account 5829 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5829 Revenue to Include:</th>
<th>Object 5829 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State technology and textbook allotment</td>
<td>• Federal revenue passed through a state agency (Object 5939)</td>
</tr>
<tr>
<td>• Facilities Grant</td>
<td>• Available School Fund revenues (Object 5811)</td>
</tr>
<tr>
<td>• Revenues realized from the Texas Education Agency for programs not specified above</td>
<td>• The portion of a Chapter 41 receipt received from a Chapter 41 district that corresponds to the reduction in state aid of a Chapter 42 district (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Foundation School Fund Chapter 42 revenues (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Optional Extended Year (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Parenting, Education and Pregnancy Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• State Supplemental Visually Impaired or Regional Day School for the Deaf (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• Public Education Grant (Object 5812)</td>
</tr>
<tr>
<td></td>
<td>• High School Allotment (Object 5812)</td>
</tr>
</tbody>
</table>
5830 State Revenues from State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify state revenues from state agencies other than Texas Education Agency, including those directly from the Comptroller of Public Accounts for tax refunds.

5831 Teacher Retirement/TRS Care - On-Behalf Payments

This code is used to classify revenues from “On-Behalf” payments of matching teacher retirement paid for active members of the school district in accordance with GASB Statement No. 24. A school district contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The school district also provides certain employer contributions for the retired teachers’ health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of school district contributions are to be recorded here. An equal expenditure amount should be recorded in account 6144, Teacher Retirement - On-Behalf Payments.

This code is also used to record the funds deposited into the accounts of eligible employees as a result of the new Health Reimbursement Arrangement (HRA) program. The HRA program will be administered by the Teacher Retirement System (TRS) and will go into effect on September 1, 2004.

Medicare Part D payments made by the federal government to TRS are also recorded to this account with an equal expenditure amount to account 6144, Teacher Retirement – On-Behalf Payments. See sections 1.2.5.2 and 1.3.3 for additional information.

5832 TRS Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/07)

This code was used to classify revenues from funds distributed (through the TEA payment system) to school districts by the Teacher Retirement System (TRS) in accordance with provisions of the Active Employee Health Insurance Coverage or Compensation Supplementation program.
HB 1 of the 79th Legislature, 3rd called session, converted this amount to salary; therefore, this code is no longer necessary.

5833-5835  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5836-5838  State Revenues from State of Texas Government Agencies (Other than Texas Education Agency) - Locally Defined (Convert to Object Code 5839 for PEIMS)

These codes are used, at the option of the school district, to classify state revenues realized from other State of Texas government agencies not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5839, State Revenues from State of Texas Government Agencies (Other Than Texas Education Agency).

5839  State Revenues from State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify state revenues from State of Texas government agencies, other than Texas Education Agency, not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5839 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 5839 Revenue to Include:</th>
<th>Object 5839 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Funds received from the</td>
<td>• Federal revenues passed through a</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>state agency (Object 5939)</td>
</tr>
<tr>
<td>Infrastructure Fund (TIF)</td>
<td></td>
</tr>
</tbody>
</table>
Shared Services Arrangements - State Revenues

State revenues from shared services arrangements are state funds received from either (1) a member district by a fiscal agent; or (2) a fiscal agent by a member district. For purposes of these revenue object codes, state revenues are defined as state funds granted through an application where the entire grant is funded through the state. Examples of state funds included in these revenue object codes are:

- State-funded Adult Basic Education programs
- Regional Day School for the Deaf
- State Supplemental Visually Impaired

Shared Services Arrangements - State Revenues from Member Districts

This code is used to classify state revenues realized from member districts of a shared services arrangement by a fiscal agent. The revenues realized by fiscal agents in this account should agree with the member districts’ expenditures in account 6492, Payments to Fiscal Agents of Shared Services Arrangements.

<table>
<thead>
<tr>
<th>Object 5841 Revenue to Include:</th>
<th>Object 5841 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State revenues realized from member districts of a shared service arrangement</td>
<td>• Locally funded revenue from member districts of shared service arrangement (Object 5722)</td>
</tr>
<tr>
<td></td>
<td>• Federal revenues from members of a shared service arrangement (Object 5951)</td>
</tr>
<tr>
<td></td>
<td>• All or a portion of allotments from</td>
</tr>
</tbody>
</table>
Object 5841 Revenue to Include:

Object 5841 Revenue to Exclude:

- the Foundation School Program that are part of a shared services arrangement, such as local/state special education funds for sharing of personnel such as a program director, counselors, diagnosticians and speech therapists (Object 5722)

R5842 Shared Services Arrangements - State Revenues from Fiscal Agent

This code is used to classify state revenues realized from the fiscal agent of a shared services arrangement by a member district. The revenues realized by member districts in this account should agree with the fiscal agent’s expenditures in account 6493, Payments to Member Districts of Shared Services Arrangements.

Object 5842 Revenue to Include:

- State revenues realized from fiscal agents of a shared service arrangement

Object 5842 Revenue to Exclude:

- Locally funded revenues from shared services arrangement (Object 5723)

- Federally funded revenues from shared services arrangement (Object 5952)

- All or a portion of allotments from the Foundation School Program that are part of a shared services arrangement, such as local/state special education funds for sharing of personnel such as a program director, counselors, diagnosticians and speech therapists (Object 5723)
5843-5845 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5846-5848 Shared Services Arrangements - State Revenues Locally Defined (Convert to Object Code 5849 for PEIMS)

These codes are used, at the option of the school district, to classify state revenues realized through a Shared Services Arrangements not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5849, State Revenues from Shared Services Arrangements.

5849 

Shared Services Arrangements - State Revenues

This code is used to classify state revenues through Shared Services Arrangements not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5849 for PEIMS reporting.

5850-5890 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5900 FEDERAL PROGRAM REVENUES

Federal program revenues are recognized after an allowable expenditure has been incurred. Each federal grant has a unique Catalog for Federal Domestic Assistance (CFDA) identification number that can be found listed with the fund definitions, except for the School Health and Related Services Program (see account 5931).
5910 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

This code is used to classify revenues realized from entities of the Federal government passed through a city, education service center, council of government, etc., and is not received directly from a state or federal agency. Each federal grant has a unique Catalog for Federal Domestic Assistance (CFDA) identification number that can be found listed with the fund definitions.

5911-5915 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

5916-5918 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies - Locally Defined (Convert to Object Code 5919 for PEIMS)

These codes are used, at the option of the school district, to classify federal revenues realized from a government agency other than a state or federal agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5919, Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies.

5919 Federal Revenues Distributed Through Government Entities Other than State or Federal Agencies

This code is used to classify revenues realized for federal programs passed through another governmental entity, such as cities, education service centers, councils of government, etc. Any locally defined codes that are used at the local option are to be converted to account 5919 for PEIMS reporting.
Federal Revenues Distributed by the Texas Education Agency

This code is used to classify revenues realized from entities of the Federal government, passed through the Texas Education Agency.

School Breakfast Program

This code is used to classify revenues realized as the result of the federally-funded breakfast program administered by the Texas Department of Agriculture. For school districts that utilize the enterprise fund to account for the school breakfast program, school breakfast program funds are to be recorded in the non-operating revenue object code 7952, School Breakfast Program. (10.553)

National School Lunch Program

This code is used to classify revenues realized as a result of the federally-funded lunch program administered by the Texas Department of Agriculture. For school districts that utilize the enterprise fund to account for the food service program, national school lunch funds are to be recorded in the non-operating revenue object code 7953, National School Lunch Program (NSLP). (10.555)

<table>
<thead>
<tr>
<th>Object 5922 Revenue to Include:</th>
<th>Object 5922 Revenue to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• National School Lunch Program revenues</td>
<td>• Revenues received for a summer Feeding Program (Object 5939)</td>
</tr>
<tr>
<td></td>
<td>• Revenues from School Breakfast Program (Object 5921)</td>
</tr>
</tbody>
</table>
United States Department of Agriculture (USDA) Commodities

This code is used to classify revenues realized from USDA commodities used in the school lunch program. Under the consumption method, revenues are realized as commodities are used whereas under the purchase method, revenues are realized when commodities are received. Since actual cash is not received, a debit entry is made simultaneously either to expenditure object code 6344, USDA Commodities (purchase method), or an asset code 1310, Inventory - Supplies and Materials (consumption method). For school districts that utilize the enterprise fund to account for the food service program, commodities are to be recorded in the non-operating revenue object code 7954, USDA Commodities. (10.555)

Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

Federal Revenues Distributed by Texas Education Agency - Locally Defined (Convert to Object Code 5929 for PEIMS)

These codes are used, at the option of the school district, to classify federal revenues realized from Texas Education Agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5929, Federal Revenues Distributed by Texas Education Agency.

Federal Revenues Distributed by Texas Education Agency

This code is used to classify revenues realized for federal programs passed through Texas Education Agency not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5929 for PEIMS reporting.

Federal Revenues Distributed by Other State of Texas Government Agencies (Other than Texas Education Agency)
This code is used to classify revenues realized from entities of the federal government, passed through state agencies other than Texas Education Agency.

\[ 5931 \] School Health and Related Services (SHARS)

This code is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services, which are provided to special education students enrolled in the Medicaid Program. These receipts are not considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. In addition, the expenditures associated with SHARS reimbursements will be subtracted from special education expenditures for maintenance of effort purposes.

\[ 5932 \] Medicaid Administrative Claiming Program -MAC

This code is to be used to account for funds received from the Texas Health and Human Services Commission (HHSC) that are awarded to reimburse school districts for administrative activities they perform to help the State implement the Medicaid state plan (outreach, explaining various health program, helping students and their families to complete paperwork to become eligible for Medicaid and other federal programs, helping students secure doctor appointments, explaining the side effects of a medication, etc.). The reimbursement for school districts will be based on the overall district Medicaid eligibility, not on specific students. These receipts are considered “federal financial assistance” for inclusion in the Schedule of Federal Financial Assistance. (93.778)

\[ 5933-5935 \] Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
Federal Revenues Distributed by State of Texas Government Agencies (Other than Texas Education Agency) - Locally Defined (Convert to Object Code 5939 for PEIMS)

These codes are used, at the option of the school district, to classify federal revenues realized from state government agencies other than Texas Education Agency not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5939, Federal Revenues Distributed by State of Texas Governmental Agencies (Other Than Texas Education Agency).

Federal Revenues Distributed by State of Texas Government Agencies (Other than Texas Education Agency)

This code is used to classify revenues realized for federal programs passed through state agencies other than Texas Education Agency not defined elsewhere. Any locally defined codes that are used at the local option are to be converted to account 5939 for PEIMS reporting.

Federal Revenues Distributed Directly From the Federal Government

This code is used to classify revenues realized directly from agencies of the Federal government.

Impact Aid

This code is used to classify revenues realized for payments in lieu of taxes, to be used for current general operating expenditures. (84.041)

Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
5946-5948 Federal Revenues Distributed Directly from the Federal Government - Locally Defined (Convert to Object Code 5949 for PEIMS)

These codes are used, at the option of the school district, to classify revenues realized from directly from federal agencies not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5949, Federal Revenues Distributed Directly From the Federal Government.

5949 Federal Revenues Distributed Directly from the Federal Government

This code is used to classify revenues realized for federal programs received directly from the federal government not otherwise listed above. Any locally defined codes that are used at the local option are to be converted to account 5949 for PEIMS reporting.

5950 Shared Services Arrangements - Federal Revenues

Federal revenues from shared services arrangements are federal funds received from either (1) a member district by a fiscal agent; or (2) a fiscal agent by a member district. For purposes of these revenue object codes, federal revenues are defined as federal funds granted through an application where the entire grant is funded by the federal government, even though a state government may distribute the funds. Examples of federal funds included in these revenue object codes are:

- Federally-funded Adult Basic Education programs
- ESEA, Title I, Part A - Improving Basic Programs
- ESEA Title I, Part C - Education of Migratory Children
Shared Services Arrangements - Federal Revenues from Member Districts

This code is used to classify federal revenues realized from member districts of a shared services arrangement by a fiscal agent. The revenues realized by fiscal agents in this account should agree with the member districts’ expenditures in account 6492, Payments to Fiscal Agents of Shared Services Arrangements.

Shared Services Arrangement - Federal Revenues from Fiscal Agent

This code is used to classify federal revenues realized from the fiscal agent of a shared services arrangement by a member district. The revenues realized by member districts in this account should agree with the fiscal agent’s expenditures in account 6493, Payments to Member Districts of Shared Services Arrangements.

Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

Shared Services Arrangements - Federal Revenues - Locally Defined (Convert to Object Code 5959 for PEIMS)

These codes are used, at the option of the school district, to classify federal revenues realized from shared services arrangements not defined elsewhere. For PEIMS reporting, these accounts are converted to account 5959, Federal Revenues - Shared Services Arrangements.

Shared Services Arrangements - Federal Revenues

This code is used to classify revenues realized for federal programs received through a shared services arrangement not otherwise
listed above. Any locally defined codes that are used at the local option are to be converted to account 5959 for PEIMS reporting.

**5960-5990 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

### 1.4.9 Expenditure/Expense Object Codes

Expenditures/expenses should be classified by the major object classes according to the types of items purchased or services obtained.

An expenditure/expense account identifies the nature and object of an account, or a transaction. The school district’s accounting records are to reflect expenditures/expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, expenditures/expenses are reported to the second digit of detail (6100, 6200, etc.) If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit “6.”

The \( \mathcal{R} \) by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.
Exhibit 37. Expenditure/Expense Object Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X X</td>
<td>X</td>
<td>X X</td>
<td>X X</td>
<td>X X</td>
</tr>
</tbody>
</table>

Major  Detail  Account  Major  Detail Classification

Object Codes: Expenditures/Expenses (6XXX)

- Indicates a mandatory code for State reporting purposes
- Indicates a code that may be used at local option

The following table summarizes the major categories of operating expense object codes. See the following pages for the detailed codes for posting transactions.
<table>
<thead>
<tr>
<th>6100</th>
<th>PAYROLL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>6110</td>
<td>TEACHERS AND OTHER PROFESSIONAL PERSONNEL</td>
</tr>
<tr>
<td>6120</td>
<td>SUPPORT PERSONNEL</td>
</tr>
<tr>
<td>6130</td>
<td>EMPLOYEE ALLOWANCES</td>
</tr>
<tr>
<td>6140</td>
<td>EMPLOYEE BENEFITS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6200</th>
<th>PROFESSIONAL AND CONTRACTED SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>6210</td>
<td>PROFESSIONAL SERVICES</td>
</tr>
<tr>
<td>6220</td>
<td>TUITION AND TRANSFER PAYMENTS</td>
</tr>
<tr>
<td>6230</td>
<td>EDUCATION SERVICE CENTER SERVICES</td>
</tr>
<tr>
<td>6240</td>
<td>CONTRACTED MAINTENANCE AND REPAIR SERVICES</td>
</tr>
<tr>
<td>6250</td>
<td>UTILITIES</td>
</tr>
<tr>
<td>6260</td>
<td>RENTALS - OPERATING LEASES</td>
</tr>
<tr>
<td>6290</td>
<td>MISCELLANEOUS CONTRACTED SERVICES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6300</th>
<th>SUPPLIES AND MATERIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>6310</td>
<td>SUPPLIES AND MATERIALS FOR MAINTENANCE AND/OR OPERATIONS</td>
</tr>
<tr>
<td>6320</td>
<td>TEXTBOOKS AND OTHER READING MATERIALS</td>
</tr>
<tr>
<td>6330</td>
<td>TESTING MATERIALS</td>
</tr>
<tr>
<td>6340</td>
<td>FOOD SERVICE AND OTHER RESALE ITEMS</td>
</tr>
<tr>
<td>6390</td>
<td>SUPPLIES AND MATERIALS - GENERAL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6400</th>
<th>OTHER OPERATING EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>6410</td>
<td>TRAVEL, SUBSISTENCE AND STIPENDS</td>
</tr>
<tr>
<td>6420</td>
<td>INSURANCE AND BONDING COSTS</td>
</tr>
<tr>
<td>6430</td>
<td>ELECTION COSTS</td>
</tr>
<tr>
<td>6440</td>
<td>DEPRECIATION EXPENSE OF PROPRIETARY AND NONEXPENDABLE TRUST FUNDS</td>
</tr>
<tr>
<td>6490</td>
<td>MISCELLANEOUS OPERATING COSTS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6500</th>
<th>DEBT SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>6510</td>
<td>DEBT PRINCIPAL</td>
</tr>
<tr>
<td>6520</td>
<td>INTEREST EXPENDITURES/ EXPENSE</td>
</tr>
<tr>
<td>6590</td>
<td>OTHER DEBT SERVICE EXPENDITURES/EXPENSES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6600</th>
<th>CAPITAL OUTLAY - LAND, BUILDINGS AND EQUIPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>6610</td>
<td>LAND PURCHASE AND IMPROVEMENT</td>
</tr>
<tr>
<td>6620</td>
<td>BUILDING PURCHASE, CONSTRUCTION OR IMPROVEMENTS</td>
</tr>
<tr>
<td>6630</td>
<td>FURNITURE AND EQUIPMENT</td>
</tr>
<tr>
<td>6640</td>
<td>FIXED ASSETS - DISTRICT DEFINED</td>
</tr>
<tr>
<td>6650</td>
<td>FIXED ASSETS UNDER CAPITAL LEASES</td>
</tr>
<tr>
<td>6660</td>
<td>LIBRARY BOOKS AND MEDIA</td>
</tr>
</tbody>
</table>
Expenditures (Governmental Fund Types and Expendable Trust Funds)

Expenditures are debited in the accounting period in which a measurable fund liability is incurred, except for unmatured principal and interest on general long-term debt, prepaid items, and other long-term obligations which are recorded as a debit in the accounting period when due.

Expenses (Proprietary Fund Type, Nonexpendable Trust and Pension Trust Funds)

Expenses are debited in the accounting period in which they are incurred.

Expenditure/expense codes are four digit object codes, and are the sixth through ninth digits in the code structure.

**6000 EXPENDITURE/EXPENSE CONTROL ACCOUNTS**

These codes consist of accounts that summarize appropriated (budgeted) and actual (realized) expenditures/expenses. These are optional codes and accounts that may be used in financial accounting applications for school districts.

Districts using subsidiary ledgers may, at the local option, use control accounts as listed in the general ledger to reflect the summarized balances of the subsidiary ledgers.

**6010 Appropriated Expenditures/Expenses - Control - Locally Defined**

This account code is credited at the beginning of the fiscal year for the amount of budgeted expenditures/expenses. The debit entry is to the object code 3700 - Budgetary Fund Balance. At the end of the fiscal year, this account is debited and closed to the appropriate fund equity account(s).
6020  **Encumbrances - Control - Locally Defined**

This account code is debited for the amounts encumbered and credited for encumbrances liquidated during the fiscal year. The amounts encumbered (debits) and liquidated (credits) in the subsidiary ledger detail must equal the total debits and credits to this Encumbrance - Control Account. At the end of the fiscal year, this account is closed to account 4210, Reserve for Encumbrances.

6030  **Expenditures/Expenses - Control - Locally Defined**

This account is debited for the total actual expenditures/expenses (including any accrued amounts) during the fiscal year. The postings of the expenditures/expenses in the detail subsidiary ledger accounts for actual expenditures/expenses must be equal to this Expenditures/Expenses - Control Account. At the end of the fiscal year, this account is closed to the appropriate fund equity account(s).

6100  **PAYROLL COSTS**

This major classification includes the gross salaries or wages and benefit costs for employee services. An employee is paid a salary or wage. The school district acts in a supervisory capacity over an employee and furnishes the working area and usually the equipment and materials necessary for the completion or performance of a task or service. Although an employee may work with more than one supervisor subsequent to, during, or after the normal employment period of hours, if the services or tasks performed are at the general direction of the school district, the amount paid to that employee is considered a payroll cost.

6110  **Teachers and Other Professional Personnel**

These account codes are to be used to classify the salaries of teachers and other professional personnel. This includes any salary paid to a person who is considered by the school district to be a professional staff member. Substitute teachers and/or other professional personnel are also classified in these account codes.
6111  Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the school district.

6112  Salaries or Wages for Substitute Teachers and Other Professionals

This code is used to classify the gross salary and wage expenditures/expenses for substitute teachers and will primarily be used with Function 11 (Instruction). Substitutes for other professionals should be coded to the same function code as the payroll record of the professional being replaced.

6113-6115  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6116-6118  Salaries or Wages for Teachers and Other Professional Personnel - Locally Defined (Convert to Object Code 6119 for PEIMS)

These codes are used, at the option of the school district, to classify salaries or wages not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6119.

6119  Salaries or Wages - Teachers and Other Professional Personnel

This code is used to classify the gross salary and wage expenditures/expenses for teachers and other professional exempt personnel as defined by the Fair Labor Standards Act. This includes:

- Gross salary and wage expenditures/expenses
• Wages paid to employees for performing duties beyond the normal working day

• Amounts above the school district’s standard pay for additional certification requirements, such as a Bilingual teacher

• Amounts for additional responsibilities such as coaching, UIL sponsorship, yearbook sponsorship, band directing, tutoring and department heads

Any local option codes that are used at the local option are to be converted to account 6119 for PEIMS reporting.

6120 Support Personnel

This code is used to classify the gross salary and wage expenditures/expenses for support personnel.

6121 Extra Duty Pay/Overtime - Support Personnel

This code is used to classify wages paid to support personnel for performing duties beyond the normal working day or for amounts above the school district’s standard pay for additional qualifications.

6122 Salaries or Wages for Substitute Support Personnel (effective fiscal year 2008-09; September 1 or July 1 depending on fiscal year end)

This code is used to classify the gross salary and wage expenditures/expenses for substitute support personnel and should be used with the function code being used for payroll record purposes.

6123-6124 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
6125-6128 Salaries or Wages for Support Personnel - Locally Defined (Convert to Object Code 6129 for PEIMS)

These codes are used, at the option of the school district, to classify salaries or wages not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6129.

6129 Salaries or Wages for Support Personnel

This code is used to classify salaries or wages for support personnel such as paraprofessional and support staff defined as non-exempt by the Fair Labor Standards Act. Any local option codes that are used at the local option are to be converted to account 6129 for PEIMS reporting.

6130 Employee Allowances

Employee allowances are amounts paid to employees for which the employee is not required to render a detailed accounting.

6131 Contract Buyouts

This code is used to identify expenditures/expenses for employee contract buyouts. Such expenditures may include direct payments made by a school district as severance and any other benefits extended as part of a contract buyout agreement. Such costs should be recorded in the function(s) in which the individual was classified. These payments are subject to federal withholding, social security (if applicable) and Medicare (if applicable). These payments are not subject to TRS.

6132 Supplemental Compensation Under Article 3.50-8, Insurance Code (Deleted effective 8/31/07)

This code was used to classify the gross TRS supplemental compensation distributed to eligible employees in accordance with provisions of the Active Employee Health Insurance Coverage or
Compensation Supplementation program. These payments were subject to federal withholding, social security, Medicare and other related payroll costs, if applicable. These payments were not subject to TRS.

HB 1 of the 79th Legislature, 3rd called session, converted this amount to salary; therefore, this code is no longer necessary.

6133  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

6134-6138  **Employee Allowances - Locally Defined (Convert to Object Code 6139 for PEIMS)**

These codes are used, at the option of the school district, to classify other employee allowances not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6139.

**6139  Employee Allowances**

This code is used to classify allowances paid to compensate employees for costs incurred for which the employee is not required to render a detailed accounting. Examples include:

<table>
<thead>
<tr>
<th>Object 6139 Expenditures to Include:</th>
<th>Object 6139 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Automobile allowances</td>
<td>• Mileage reimbursement for travel for actual miles driven (Object 641X)</td>
</tr>
<tr>
<td>• Housing allowances</td>
<td></td>
</tr>
<tr>
<td>• Cell phone allowance</td>
<td></td>
</tr>
<tr>
<td>• Uniform and meal allowance</td>
<td></td>
</tr>
</tbody>
</table>
In-kind payments such as rent-free housing or employer-furnished automobiles are to be debited to this account and credited to the appropriate revenue account 5743, Rent or account 5749, Other Revenue from Local Sources.

Any local option codes that are used at the local option are to be converted to account 6139 for PEIMS reporting.

Questions regarding taxable income for the employee for these allowances should be directed to the Internal Revenue Service. See Other Tax Issues section for further guidance.

6140 Employee Benefits

Employee benefits are those amounts paid by the school district to provide benefits to employees. This does not include the amount deducted from the employee’s salary or wages, which are considered employee contributions toward a benefit.

R 6141 Social Security/Medicare

This code is used to classify expenditures/expenses required to provide employee benefits under the Federal Social Security program. This excludes employee contributions.

R 6142 Group Health and Life Insurance

This code is used to classify expenditures/expenses made to provide personnel with group health and life insurance benefits. This excludes employee contributions but includes benefit amounts transferred to an Internal Service Fund.
**R 6143  Workers’ Compensation**

This code is used to classify expenditures/expenses made to provide personnel with workers’ compensation benefits. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

**R 6144  Teacher Retirement/TRS Care - On-Behalf Payments**

This code is used to classify expenditures/expenses from “On-Behalf” payments of matching teacher retirement paid for active members of the school district in accordance with GASB Statement No. 24. A school district contributes matching funds for personnel funded from federal sources and, if applicable, statutory minimum funds for qualifying personnel. The school district also provides certain employer contributions for the retired teachers’ health insurance plan (TRS Care). The state provides all other matching funds on behalf of members. The amount that the state provides in excess of school district contributions are to be recorded here. An equal revenue amount should be recorded in account 5831, Teacher Retirement - On-Behalf Payments.

Medicare Part D payments made by the federal government to TRS are also recorded to this account with an equal revenue amount to account 5831, Teacher Retirement – On-Behalf Payments. See sections 1.2.5.2 and 1.3.3 for additional information.

**R 6145  Unemployment Compensation**

This code is used to classify expenditures/expenses made to provide personnel with unemployment compensation. This includes benefit amounts transferred to an Internal Service Fund. There are no employee contributions.

**R 6146  Teacher Retirement/TRS Care**

This code is used to classify expenditures/expenses made from local, state and federal program funds and/or private grants to pay
state matching of teacher retirement on the above state minimum
collection or the required matching amount from federal funds.
Also included in this account is any employer contribution for the
retired teachers’ health insurance plan.

6147 Reserved for Future State Definition

These codes are reserved for future state designation and are not to
be used by the school district.

6148 Employee Benefits - Locally Defined (Convert to Object Code 6149 for PEIMS)

This code is used, at the option of the school district, to classify
employee benefits not defined elsewhere. For PEIMS reporting,
this account is converted to Object Code 6149.

6149 Employee Benefits

This code is used to classify expenditures/expenses made to
provide personnel with other employee benefits not detailed above.
This excludes employee contributions but includes any benefit
amounts transferred to an Internal Service Fund. Any local option
codes that are used at the local option are to be converted to
account 6149 for PEIMS reporting.

6150-6190 Reserved for Future State Definition

These codes are reserved for future state designation and are not to
be used by the school district.

6200 PROFESSIONAL AND CONTRACTED SERVICES

The major account classification is used to record
expenditures/expenses for services rendered to the school district
by firms, individuals and other organizations. This includes
services provided by internal service funds unless the internal
service fund is used to account for employee benefits. Internal
service fund expenditures/expenses for employee benefits, such as health insurance, are to be classified to the appropriate code in the 6100 series of accounts. Normally, professional and contracted services represent a complete service that is rendered for the school district, and no attempt should be made to separate labor from supplies.

6210  Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the professional services contract.

6211  Legal Services

This code is used to classify fees, associated travel and other related costs for legal services. However, legal fees, associated travel and other costs related to the collection of taxes are to be classified in account 6213, Tax Appraisal and Collection. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure. All expenditures/expenses coded to object code 6211 are to be coded to function 41, General Administration.

6212  Audit Services

This code is used to classify fees, associated travel and other related costs for audit services. All expenditures/expenses coded to object code 6212 are to be coded to function 41, General Administration.

6213  Tax Appraisal and Collection

This code is used to classify fees, associated travel, and other related costs for the appraisal of property and the collection of taxes, including attorney fees directly related to the collection of taxes. This account is also to be used by the school district to
record its pro rata share of the administrative cost of the Consolidated Taxing District. Delinquent tax collection fees that are charged as “costs” to the taxpayer and paid to an attorney are to be treated as a liability in account 2110, Accounts Payable, not as an expenditure. This code is only to be used in the General Fund.

Payments made to another governmental entity (for **appraisal costs** only) should be coded to function code 99 (Other Intergovernmental Charges); otherwise, function code 41 (General Administration) should be used for the collection of taxes.

6214 Lobbying (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)

This code is used to classify fees, associated travel and other related costs for lobbying services. Refer to the [Texas Ethics Commission](http://www.trec.state.tx.us/) for guidelines regarding what is lobbying.

6215 Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the school district.

6216-6218 Professional Services - Locally Defined (Convert to Object Code 6219 for PEIMS)

These codes are used, at the option of the school district, to classify professional fees and related costs not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6219.

6219 Professional Services

This code is used to classify expenditures/expenses for professional services rendered by personnel who are not on the payroll of the school district. [Government Code 2254.002](http://www.statutes.state.tx.us/) defines professional services to be the following:

- Architecture
- Optometry
Landscape architecture      Professional engineering
Land surveying            Real estate appraising
Medicine                  Professional nursing

Accounting (audit services belong in object code 6212)

These professionals are required to be licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity or firm) that offers its services to the public. Such services are paid on a fee basis for specialized services that are usually considered to be temporary or short-term in nature, normally in areas that supplement the expertise of the school district. This includes all related expenditures/expenses covered by a professional services contract, if the contracted service is not detailed in object codes 6211 through 6214.

This does not include any costs required to be capitalized as ancillary charges necessary to place the asset into service. Those costs should be recorded in the appropriate 6600 series capital outlay object codes.

6220       **Tuition and Transfer Payments**

Tuition payments are made when the school district pays for tuition to institutions of higher education on behalf of a staff member or a student. Transfer payments are made when the school district pays for students to attend another school district, either private or public.

6221       **Staff Tuition and Related Fees - Higher Education**

This code is used to classify expenditures/expenses for services rendered by institutions of higher learning for the benefit of school district personnel. Expenditures/expenses classified in this account are excluded from the calculation of indirect cost rates.

6222       **Student Tuition - Public Schools**
This code is used to classify expenditures/expenses for tuition if a school district is under contract with public schools to provide instructional services to students. This includes payments made to school districts under Section 29.201, TEC, Public Education Grant Program, and transfer students under Section 21.082 of the TEC where one school district transfers entire grades of students to another school district.

**6223 Student Tuition - Other than to Public Schools**

This code is used to classify expenditures/expenses for tuition if a school district is under contract with an institution of higher learning or with non-public schools to provide instructional services to students. This includes payments made to Juvenile Justice Alternative Education Programs (Function Code 95).

**6224 Student Attendance Credits**

This code is used to classify expenditures/expenses for the purchase of tuition credits from the state or from other school districts under Subchapter 5 D and/or E, Chapter 41, Texas Education Code (TEC), including Career and Technology Education programs under TEC 41.125. This code may only be used with Function Code 91, Contracted Instructional Services Between Public Schools.

**6225-6226 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

**6227-6228 Tuition - Locally Defined (Convert to Object Code 6229 for PEIMS)**

These codes are used, at the option of the school district, to classify expenditures/expenses for tuition not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6229.
6229 Tuition and Transfer Payments

This code is used to classify expenditures/expenses for tuition and transfer payments not detailed above. Any local option codes that are used at the local option are to be converted to account 6229 for PEIMS reporting.

6230 Education Service Center Services

Each school district is a member of an education service center that provides various services to the school districts. The function code in conjunction with the expenditure object code defines the type of service provided.

6231-6233 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6234-6238 Education Service Center Services - Locally Defined (Convert to Object Code 6239 for PEIMS)

These codes are used, at the option of the school district, to classify services provided by the education service center not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6239.

6239 Education Service Center Services

This code is used to classify all contracted services provided by the education service center. Included in this account are:

- Data processing services
- Accounting services
- Media services
• Special education services
• Career and Technical education services
• Staff development
• Curriculum development
• Drug training
• Grant writing services, etc. that the education service center provides to school districts

This does not include supplies (which should be charged to the appropriate supply account) purchased under a purchasing agreement with an education service center, but does include a fee assessed for providing the service. Any local option codes that are used at the local option are to be converted to account 6239 for PEIMS reporting.

**6240 Contracted Maintenance and Repair Services**

These expenditure object codes are used to classify expenditures/expenses for maintenance and repair services rendered by firms, individuals, or other organizations, other than the school district. Maintenance and repair services are for normal upkeep, repair and minor restorations, but do not include such costs as new building construction, renovating and remodeling of buildings, etc. When contracted maintenance and repair services are rendered, the total cost of the service, including labor and parts, is to be included in the appropriate contracted services account. Maintenance contracts are to be included in the appropriate expenditure object codes defined below.

**6241-6243 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.
6244-6248 Contracted Maintenance and Repair - Locally Defined
(Converting to Object Code 6249 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures/expenses for contracted maintenance and repair not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6249.

6249 Contracted Maintenance and Repair

This code is used to classify expenditures/expenses for normal contracted maintenance and repair of items.

<table>
<thead>
<tr>
<th>Object 6249 Expenditures to Include:</th>
<th>Object 6249 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>This includes expenditures/expenses for normal contracted upkeep, repairs, maintenance and renovation of:</td>
<td>• Purchase of furniture, technology equipment, software, and capital outlay items (Object 6399 or 66XX)</td>
</tr>
<tr>
<td>• Office equipment</td>
<td>• Purchase of site licenses, single user software, etc. (Object 6399, or 6659)</td>
</tr>
<tr>
<td>• Furniture</td>
<td></td>
</tr>
<tr>
<td>• Computers</td>
<td></td>
</tr>
<tr>
<td>• Copiers</td>
<td></td>
</tr>
<tr>
<td>• District-owned telephone systems</td>
<td></td>
</tr>
<tr>
<td>• Facsimile machines</td>
<td></td>
</tr>
<tr>
<td>• Software upgrades</td>
<td></td>
</tr>
<tr>
<td>• Maintenance agreement fees</td>
<td></td>
</tr>
</tbody>
</table>
Object 6249 Expenditures to Include:  | Object 6249 Expenditures to Exclude:
--- | ---
• Other equipment when the repairs are provided by an outside individual or firm
• Buildings and grounds (janitorial/landscaping, etc.)

For vehicles, this includes expenditures/expenses for normal upkeep and contracted repair of vehicles, including buses, maintenance vehicles, driver education vehicles and any other vehicles used by school district staff or students.

For buildings and grounds, this includes expenditures/expenses for normal upkeep of buildings and grounds. This includes contracted costs of maintenance for buildings including heating, ventilation, air conditioning, and any related maintenance agreements.

Services may be provided on an on-call basis or within the terms of a maintenance agreement.

Any local option codes that are used at the local option are to be converted to account 6249 for PEIMS reporting.

6250 Utilities

Utilities are comprised of water, electricity, gas for heat, cooking and cooling, ongoing telephone (including telecommunications and cellular telephones) and facsimile charges.

6251-6254 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
6255-6258 Utilities - Locally Defined (Convert to Object Code 6259 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures/expenses for utilities not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6259.

6259 Utilities

This code is used to classify expenditures/expenses for utilities. All expenditures/expenses coded to object code 6259 are to be coded to either function 51, Facilities Maintenance and Operations or 81, Facilities Acquisition and Construction. This includes:

- Water, wastewater treatment, and sanitation (garbage disposal)
- Telephone services and telecommunication charges for cellular telephones, pagers, modem line charges, facsimile charges, etc.
- Electricity
- Natural gas, propane, coal and any other fuel used for the heating and cooling of buildings

Any local option codes that are used at the local option are to be converted to account 6259 for PEIMS reporting. A district may code a cellular telephone or pager to the function code of its user.

6260 Rentals - Operating Leases

These codes are used to record expenditures/expenses for renting or leasing either equipment or property under operating lease agreements. Refer to the Debt section (Other Types of Debt) for further guidance.
6261-6263  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6264-6268  Rentals - Operating Leases - Locally Defined (Convert to Object Code 6269 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures/expenses for rentals under operating leases not specifically defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6269.

6269  Rentals - Operating Leases

This code is used to classify expenditures/expenses for other rentals - operating leases. This includes, but is not limited to, rental or lease of:

- Furniture
- Computers
- Telecommunications equipment
- Audio-visual equipment
- Vehicles (including buses)
- Land
- Buildings
- Space in buildings
- Grounds

Any local option codes that are used at the local option are to be converted to account 6269 for PEIMS reporting.
6270-6289  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6290  Miscellaneous Contracted Services

These expenditure object codes are used to classify expenditures/expenses for miscellaneous contracted services not included above.

R 6291  Consulting Services (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)

This code is used to classify expenditures/expenses for consulting services. Consulting services refer to the practice of helping districts to improve performance through analysis of existing problems and development of future plans. Consulting may involve the identification and cross-fertilization of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development, or operational improvement. Consultants often rely on their outsider’s perspective to provide unbiased recommendations. They generally bring formal frameworks or methodologies to identify problems or suggest more effective or efficient ways of performing tasks. Consulting services cover all functional areas such as instruction, curriculum, and administration.

Consulting does not include a routine service/activity that is necessary to the functioning of a school district’s programs, such as hiring additional people on contract to supplement present staff. It also does not apply to services provided to conduct organized activities (such as training or other similar educational activities.)

Professional services are coded to 6219.

Education Service Center services are coded to 6239.

Normal contracted maintenance and repair of items is coded to 6249.

Other miscellaneous services would be coded to 6299.
6292-6293  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6294-6298  Miscellaneous Contracted Services - Locally Defined (Convert to Object Code 6299 for PEIMS)

These codes are used, at the option of the school district, to classify contracted services not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6299.

6299  Miscellaneous Contracted Services

This code is used to classify expenditures/expenses for miscellaneous contracted services not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6299 for PEIMS reporting.

6300  SUPPLIES AND MATERIALS

This major classification includes all expenditures/expenses for supplies and materials.

6310  Supplies and Materials for Maintenance and/or Operations

This group of accounts is used to classify expenditures/expenses for supplies and materials necessary to maintain and/or operate furniture, computers, equipment (including telecommunications equipment), vehicles, grounds and facilities of the school district. Normally expenditures/expenses in this group of accounts arise when school district employees purchase supplies for use by the school district as opposed to supplies that are provided by a contractor as part of a contracted service.
6311  Gasoline and Other Fuels for Vehicles (Including Buses)

This code is used to classify expenditures/expenses for gasoline, motor oil and other fuels required for operating vehicles.

6312-6314  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6315-6318  Supplies for Maintenance and/or Operations - Locally Defined (Convert to Object Code 6319 for PEIMS)

These codes are used, at the option of the school district, to classify supplies and materials for maintenance and/or operations not defined elsewhere. For PEIMS reporting, these accounts are converted to Object Code 6319.

6319  Supplies for Maintenance and/or Operations

This code is used to classify expenditures/expenses for supplies and materials necessary for maintenance and/or operations not detailed above. Expenditures/expenses in this account include, but are not limited to:

- Janitorial or custodian supplies
- Building maintenance supplies for minor repairs and upkeep by maintenance staff
- Supplies for upkeep of furniture and equipment

Any local option codes that are used at the local option are to be converted to account 6319 for PEIMS reporting.
6320  Textbooks and Other Reading Materials

This group of accounts is used to classify expenditures/expenses for textbooks purchased by the school district and magazines, periodicals, newspapers and reference books that are placed in the classroom or in an office. Expenditures/expenses in this group of accounts do not meet the capitalization criteria.

6321  Textbooks

This code is used to classify expenditures/expenses for textbooks purchased by the school district and furnished free to students, certain classes or grades.

6322-6324  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6325-6328  Reading Materials - Locally Defined (Convert to Object Code 6329 for PEIMS)

These codes are used, at the option of the school district, to classify reading materials that do not meet the capitalization criteria. For PEIMS, these accounts are converted to Object Code 6329.

6329  Reading Materials

This code is used to classify all expenditures/expenses for magazine subscriptions and newspaper subscriptions that are placed in classrooms, offices or libraries whether in print or electronic format. Also included are reference books and other reading materials placed in a classroom or office that are not cataloged and controlled by the library. Additionally, this code also includes library books and media that do not meet the capitalization criteria of the school and have a per unit value of less than $5,000 and/or a useful life of one year or less (Effective September 1, 2001). Any local option codes that are used at the
local option are to be converted to account 6329 for PEIMS reporting.

6330 Testing Materials

This group of accounts is used to classify expenditures/expenses for testing materials such as test booklets. Test scoring is not to be classified here, but rather, in the 6200 series of accounts, Professional and Contracted Services.

6331-6333 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6334-6338 Testing Materials - Locally Defined (Convert to Object Code 6339 for PEIMS)

These codes are used, at the option of the school district, to classify testing materials. For PEIMS, these accounts are converted to Object Code 6339.

R 6339 Testing Materials

This code is used to classify expenditures/expenses for testing materials including test booklets and study materials related to those tests. Any local option codes that are used at the local option are to be converted to account 6339 for PEIMS reporting.

6340 Food Service and Other Resale Items

These expenditure object codes are used to classify supplies and materials for the operation of the food service program of the school district. Also included are items for sale through vending machines, school stores, etc., that are not related to the regular food service program. These items for resale are classified in Function 36, Cocurricular/Extracurricular Activities.
**R 6341 Food**

This code is used to classify expenditures/expenses for food, including related costs such as transportation, handling, processing, etc.

**R 6342 Non-Food**

This code is used to classify expenditures/expenses for non-food items such as napkins, straws, brooms, etc.

**R 6343 Items for Sale**

This code is used to classify expenditures/expenses for such items as soft drinks, food, or other goods to be sold through vending machines, school stores, etc., not related to the regular food service program.

**R 6344 USDA Commodities**

This code is used to classify the costs of commodities. The portion of expenditures/expenses attributed to the USDA value of commodities in this account should agree with the revenue realized in account 5923, USDA commodities for school districts that utilize the General Fund or Special Revenue Fund. For school districts utilizing an Enterprise Fund, non-operating revenue account 7954, USDA commodities is to be used.

- Purchased products for which you receive no USDA commodity equivalent. An example of products that a school would purchase commercially but would not receive as a USDA commodity would be condiments such as catsup and mustard. It is suggested that you base the inventory value for such items on the net purchase price for that item.
• USDA commodity products for which you purchase no commercial equivalent. Examples of USDA commodities that schools receive but usually do not purchase commercially include pouched salmon, frozen diced chicken and prune puree. TDHS will continue to provide you with the value of USDA commodities, which is based on the actual cost per pound.

• Products that you purchase as well as receive as commodities. Canned fruits and vegetables are examples of such products. You may base the value of these products on the net cost to purchase such products, on the commodity value provided by TDHS, or you could also use an average of weighted average of the two values.

6345-6347 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6348 Food Supplies - Locally Defined (Convert to Object Code 6349 for PEIMS)

This code is used, at the option of the school district, to classify food supplies not defined above. For PEIMS, this account is converted to Object Code 6349.

6349 Food Service Supplies

This code is used to classify miscellaneous food service supplies not specifically defined elsewhere. Any local option codes that are used at the local option are to be converted to account 6349 for PEIMS reporting.

6350-6380 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
Supplies and Materials - General

These expenditure object codes are used to classify general supplies and materials not specified in other supplies and materials accounts.

6391-6394 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6395-6398 Supplies and Materials - Locally Defined (Convert to Object Code 6399 for PEIMS)

These codes are used, at the option of the school district, to classify supplies and materials. For PEIMS, these accounts are converted to Object Code 6399.

General Supplies

This code is used to classify expenditures/expenses for those items of relatively low unit cost (even though used in large quantities) necessary for the instruction process and/or for administration.

<table>
<thead>
<tr>
<th>Object 6399 Expenditures to Include:</th>
<th>Object 6399 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>These items include:</td>
<td>Purchase of furniture, technology equipment, software, and capital outlay items having a per-unit cost of $5,000 or more (Object 6639)</td>
</tr>
<tr>
<td>• Consumable teaching and office items such as paper, pencils, forms, postage, etc.</td>
<td>• Items that don’t meet the individual $5,000 capital asset criteria, but by school district policy are defined to be a capital asset or aggregated items equal or exceed $5,000 (example: library books) (Object 6649 or 6669)</td>
</tr>
<tr>
<td>• Workbooks</td>
<td></td>
</tr>
<tr>
<td>• Audio-visual aids such as</td>
<td></td>
</tr>
<tr>
<td><strong>Object 6399 Expenditures to Include:</strong></td>
<td><strong>Object 6399 Expenditures to Exclude:</strong></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>filmstrips, VCR tapes, CD/DVD disks, diskettes, computer tapes, software</td>
<td>Site licenses, single use software that has a per-unit cost of less than $5,000</td>
</tr>
<tr>
<td></td>
<td>Supplies for a satellite dish and other supplies for technology</td>
</tr>
</tbody>
</table>

Certain items, such as software, mentioned in this definition may be recorded under the 666X account series according to local policies for capitalization. See Capital Assets section for additional clarification. Any local option codes that are used at the local option are to be converted to account 6399 for PEIMS reporting.

6400  **OTHER OPERATING COSTS**

This major classification is used to classify expenditures/expenses for items other than Payroll Costs, Professional and Contracted Services, Supplies and Materials, Debt Service and Capital Outlay that are necessary for the operation of the school district.

6410  **Travel, Subsistence and Stipends**

These expenditure object codes are to be used to classify travel, subsistence and stipends to both employees and non-employees.

6411  **Travel and Subsistence - Employee Only**

This code is used to classify the cost of transportation, meals, room, and other expenses associated with traveling on official school business. Travel expenses must conform to IRS and 2 CFR Part 225 (OMB Circular A-87) regulations. Any travel reimbursed from state funds and federal funds that are received from the Texas
Education Agency must comply with the general appropriations act.

The cost of employee travel also includes any registration fees associated with attending conferences, including seminars, inservice training, etc. Membership dues are classified in account 6495, Dues.

**6412 Travel and Subsistence - Students**

This code is used to classify the cost of transportation (rental of vans, buses and other vehicles), meals, participation fees, room, and other expenses associated with students traveling for school sponsored events. (Do not use function 34)

**6413 Stipends - Non-Employees**

This code is used to classify stipends paid to individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities. Expenditures/expenses relating to travel for individuals not employed by the school district should be classified in account 6419, Travel and Subsistence. Expenditures/expenses classified in this account are excluded from the calculation of indirect cost.

**6414-6416 Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

**6417-6418 Travel and Subsistence - Locally Defined (Convert to Object Code 6419 for PEIMS)**

These codes are used, at the option of the school district, to classify travel and subsistence not specifically defined elsewhere. For PEIMS, these accounts are converted to Object Code 6419.
**R 6419**  
**Travel and Subsistence - Non-Employees**

This code is used to classify the cost of transportation, meals, room and other expenses associated with traveling on official school business not specified elsewhere. This includes expenditures/expenses for the following groups:

- Travel for individuals not employed by the school district

  This includes travel expenses incurred while traveling to school district authorized activities, including transportation expenditures/expenses paid:

  - To parents
  
  - For board member travel
  
  - For individuals not employed by the paying agency for allowances related to and/or for participation in organizational controlled or directed activities

  Registration fees associated with attending conferences, including seminars, inservice training, etc. are also classified in this account.

  Travel expenses must conform to IRS and 2 CFR Part 225 (OMB Circular A-87) regulations and any travel reimbursed from state funds and federal funds that are received from the Texas Education Agency must comply with the general appropriations act. Any local option codes that are used at the local option are to be converted to account 6419 for PEIMS reporting.

**6420**  
**Insurance and Bonding Costs**

This code is used to classify expenditures/expenses for insurance and bonding costs. Property insurance should be classified in Function 51, Facilities Maintenance and Operations, including building insurance and property insurance for band and athletic/UIL equipment. Other types of insurance are to be classified in the appropriate function. For example, insurance to
cover student injuries that take place while participating in athletics are classified in Function 36, Cocurricular/Extracurricular Activities. Textbook custodian and administrative bonding expenses are classified in Function 41, General Administration. School bus driver bonding and liability insurance are classified in Function 34, Student (Pupil) Transportation.

6421-6424 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6425-6428 Insurance and Bonding Costs - Locally Defined (Convert to Object Code 6429 for PEIMS)

These codes are used, at the option of the school district, to classify insurance and bonding costs. For PEIMS, these accounts are converted to Object Code 6429.

6429 Insurance and Bonding Costs

This code is used to classify costs for insurance, including property insurance, liability insurance, bonding costs, athletic insurance, etc. Any local option codes that are used at the local option are to be converted to account 6429 for PEIMS reporting.

6430 Election Costs

This code is used to classify expenditures/expenses for conducting an election. The costs of printing ballots, election officials who are not school district employees and legal notices, etc., are to be charged to this classification.

6431-6433 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
6434-6438 Election Costs - Locally Defined (Convert to Object Code 6439 for PEIMS)

These codes are used, at the option of the school district, to classify election costs. For PEIMS, these accounts are converted to Object Code 6439.

6439 Election Costs

This code is used to classify expenditures/expenses to cover costs incurred in connection with elections, including election officials who are not school district employees, legal notices, etc. Any local option codes that are used at the local option are to be converted to account 6439 for PEIMS reporting.

6440 Depreciation Expense of Proprietary and Nonexpendable Trust Funds

This code is used to classify depreciation expense of capital assets in the Proprietary Fund Types or Nonexpendable Trust Funds of a school district. Capital assets of the Governmental Fund Types and Expendable Trust Funds are not depreciated.

6441-6443 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6444-6448 Depreciation Expense - Locally Defined (Convert to Object Code 6449 for PEIMS)

These codes are used, at the option of the school district, to classify depreciation expense. For PEIMS, these accounts are converted to Object Code 6449.
6449  Depreciation Expense

This code is used to classify depreciation expense of capital assets owned by Proprietary Fund Types or Nonexpendable Trust Funds. Any local option codes that are used at the local option are to be converted to account 6449 for PEIMS reporting.

6450-6480  Reserved for Future State Definition

These code classifications are reserved for future state designation and are not to be used by the school district.

6490  Miscellaneous Operating Costs

This code is used to classify expenditures/expenses for operating costs not mentioned above.

6491  Reserved for Future State Definition

This code is reserved for future state designation and is not to be used by the school district.

6492  Payments to Fiscal Agents of Shared Services Arrangements

This code is used to classify expenditures/expenses for amounts paid to a fiscal agent of a shared services arrangement in which the school district is a participant. The expenditure is to be classified in Function 93, Payments to Fiscal Agent/Member Districts of Shared Services Arrangements.

6493  Payments to Member Districts of Shared Services Arrangements

This code is used to classify expenditures/expenses for amounts paid to a member district of a shared services arrangement in which the school district is a participant. The expenditure is to be
classified in Function 93, Payments to Fiscal Agent/Member Districts of Shared Services Arrangements.

\[6494\] **Reclassified Transportation Expenditures/Expenses**

This code can be used as an option to identify expenditures/expenses for transportation costs other than those incurred for the purpose of transporting students to and from school. Expenses from various expenditure object codes for salaries, fuel, etc., in Function 34 (Student Transportation) should be reclassified to this expenditure object code with the appropriate function assigned. Examples of such costs include those associated with field trips (Function 11) and cocurricular/extracurricular activities (Function 36). Identification of the costs of transporting students for any purpose other than to and from school is required under Section 34.010, TEC.

\[6495\] **Dues (Effective fiscal year 2008/09; September 1 or July 1 depending on fiscal year end)**

This code is used to identify expenditures/expenses for dues paid to clubs, committees, or other organizations. Examples of organizations are TASA, TASP, TASB, Lions Club, Rotary Club, local chambers of commerce and other associations. This does not include any registration fees associated with attending conferences or seminars, which are coded to account 6411. Dues paid on behalf of an employee should be coded to that employee’s function code; dues paid on behalf of the district should be coded to function 41. Prior to this change, dues were included in object code 6499.

\[6496\] **Reserved for Future State Definition**

This code is reserved for future state designation and is not to be used by the school district.
6497-6498 Miscellaneous Operating Costs - Locally Defined (Convert to Object Code 6499 for PEIMS)

These codes are used, at the option of the school district, to classify miscellaneous operating costs. For PEIMS, these accounts are converted to Object Code 6499.

6499 Miscellaneous Operating Costs

This code is used to classify expenditures/expenses for all other operating costs not mentioned above. This account includes:

- Fees (not associated with travel)
- Awards
- Bid notices
- Graduation expenses
- Food/refreshments for school-related meetings
- Newspaper advertisements, etc.

Dues are to be coded to object code 6495 effective for the 2008/09 fiscal year (September 1 or July 1 depending on the fiscal year end).

Any local option codes that are used at the local option are to be converted to account 6499 for PEIMS reporting.

6500 DEBT SERVICE

This major classification includes all expenditures for debt service. All debt service object codes must be used only with Function 71, Debt Service.
6510 Debt Principal

These expenditure object codes are used to classify all expenditures to retire debt principal in Function 71, Debt Service.

6511 Bond Principal

This code is used to classify expenditures to retire the principal of bonds.

6512 Capital Lease Principal

This code is used to classify expenditures to retire the principal of long-term capital leases.

6513 Long-Term Debt Principal

This code is used to classify expenditures to retire the principal of long-term debt (except bond and capital lease principal), using dedicated tax proceeds and other revenue. This includes non-voter approved debt repaid using tax proceeds dedicated to debt repayment. Long-term debt is defined as any debt that will not be paid with current available financial resources.

6514-6516 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6517-6518 Debt Service - Locally Defined (Convert to Object Code 6519 for PEIMS)

These codes are used, at the option of the school district, to classify principal on debt service not defined above. For PEIMS, these accounts are converted to Object Code 6519.
**6519 Debt Principal**

This code is used to classify expenditures to retire the principal of debt not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6519 for PEIMS reporting.

**6520 Interest Expenditures/Expenses**

These expenditure object codes are used to classify all interest expenditures/expenses in Function 71, Debt Service.

**6521 Interest on Bonds**

This code is used to classify expenditures/expenses to pay interest on bonds.

**6522 Capital Lease Interest**

This code is used to classify expenditures/expenses to pay interest on capital leases.

**6523 Interest on Debt**

This code is used to classify expenditures/expenses to pay interest on debt.

**6524 Amortization of Bond and Other Debt Related Costs**

This code is used to classify expenses in connection with the amortization of bond and other debt issuance costs, including lease-purchase debt issuance costs. Included are amortized deferred gain and loss amounts in connection with the defeasance of bonds.
6525  **Amortization of Premium and Discount on Issuance of Bonds**

This code is used to classify expenses amortized as debt premium and/or discount in connection with the issuance of debt.

6526  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

6527-6528  **Interest Expenditures/Expenses - Locally Defined (Convert to Object Code 6529 for PEIMS)**

These codes are used, at the option of the school district, to classify interest expenditures/expenses not specified elsewhere. For PEIMS, these accounts are converted to Object Code 6529.

6529  **Interest Expenditures/Expenses**

This code is used to classify expenditures/expenses to pay interest not specified elsewhere. Any local option codes that are used at the local option are to be converted to account 6529 for PEIMS reporting.

6530-6580  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

6590  **Other Debt Service Expenditures/Expenses**

These object codes are used to classify all debt service expenditures/expenses other than debt principal and interest in Function 71, Debt Service.
6591-6593  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6594-6598  Other Debt Service Expenditures/Expenses - Locally Defined (Convert to Object Code 6599 for PEIMS)

These codes are used, at the option of the school district, to record debt service expenditures/expenses, excluding principal and interest. For PEIMS, these accounts are converted to Object Code 6599.

6599  Other Debt Service Fees

This code is used to classify expenditures/expenses for issuance costs, and/or any allowable fees related to debt service activity, including fiscal agent fees and payment to an escrow agent from sources other than proceeds from the new debt. Any local option codes that are used at the local option are to be converted to account 6599 for PEIMS reporting.

6600  CAPITAL OUTLAY - LAND, BUILDINGS AND EQUIPMENT

This major classification is used to classify expenditures for capital assets. See Capital Assets section 1.2.4 for capital asset requirements.

6610  Land Purchase and Improvement

These expenditure object codes are used to classify the acquisition or major improvement of a school district’s land.
6611-6613  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6614-6618  Land Purchase and Improvements - Locally Defined (Convert to Object Code 6619 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures for land purchases and improvements. For PEIMS, these accounts are converted to Object Code 6619.

R 6619  Land Purchase and Improvement

This code is used to classify expenditures for the purchase of land, land improvements other than buildings and any associated fees. This includes any other costs necessary to alter the land for its intended purpose. Any local option codes that are used at the local option are to be converted to account 6619 for PEIMS reporting.

6620  Building Purchase, Construction or Improvements

These expenditure object codes are used to classify the purchase, construction, or substantial improvement of buildings, and any related fees, including architect fees.

6621-6623  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6624-6628  Building Purchase, Construction or Improvements - Locally Defined (Convert to Object Code 6629 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures for building purchases, construction, or
improvements. For PEIMS, these accounts are converted to Object Code 6629.

**R 6629** Building Purchase, Construction or Improvements

This code is used to classify expenditures to purchase buildings or for materials, labor, etc., to construct new buildings. This account also includes expenditures for substantial alteration or remodeling of existing buildings that materially increase building life and/or usefulness. All associated fees are included in this account. Any local option codes that are used at the local option are to be converted to account 6629 for PEIMS reporting.

**6630** Furniture and Equipment

This code is used to classify expenditures for the purchase of furniture and equipment having a per-unit cost of $5,000 or more and a useful life of more than one year as listed below. If the per-unit cost is less than $5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

**R 6631** Vehicles per unit cost of $5,000 or more

This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of $5,000 or more and a useful life of more than one year. If the per-unit cost is less than $5,000 and the district, by policy, elects to capitalize the expenditure, the 6640 series of accounts, Capital Assets - District Defined, should be used.

**6632-6634** Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

**6635-6638** Furniture and Equipment - Locally Defined (Convert to Object Code 6639 for PEIMS)
These codes are used, at the option of the school district, to classify expenditures for furniture and equipment. For PEIMS, these accounts are converted to Object Code 6639.

### 6639 Furniture, Equipment and Software

This code is used to classify expenditures for all equipment, furniture, technology equipment and capital outlay items having a per-unit cost of $5,000 or more and a useful life of more than one year not classified elsewhere. Any local option codes that are used at the local option are to be converted to account 6639 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 6639 Expenditures to Include:</th>
<th>Object 6639 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Telephone systems</td>
<td>• Contract programming non-ownership (Object 6219)</td>
</tr>
<tr>
<td>• Intercommunication and telecommunication systems</td>
<td>• Lease purchases with $5,000 or more per unit costs (Object 6659)</td>
</tr>
<tr>
<td>• Mainframe and mini-computers</td>
<td>• Maintenance fees and/or upgrades (Object 6249)</td>
</tr>
<tr>
<td>• High-capacity copy machines</td>
<td>• Purchase of site licenses, single use software, network fees, etc. (Object 6399 or 6659)</td>
</tr>
<tr>
<td>• Purchase of site licenses, single use software, etc., if more than $5,000 or more per unit costs</td>
<td>• Items that don’t meet the individual $5,000 capital asset criteria, but by school district policy are defined to be a capital asset or aggregated items equal or exceed $5,000 (example: library books) (Object 6649 or 6669)</td>
</tr>
</tbody>
</table>
6640  **Capital Assets - District Defined**

These expenditure object codes are used to classify any items that do not meet the individual $5,000 capital asset criteria, but by school district policy, are required to be recorded as capital assets either (1) when the school district policy requires an item costing less than $5,000 to be defined as a capital asset; or, (2) when aggregate amounts purchased equal or exceed $5,000.

6641  **Vehicles per-unit cost of less than $5,000**

This code is used to classify expenditures for the purchase of vehicles having a per-unit cost of less than $5,000 and a useful life of more than one year.

6642-6643  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

6644-6648  **Capital Assets - Locally Defined (Convert to Object Code 6649 for PEIMS)**

These codes are used, at the option of the school district, to classify expenditures for capital assets groupings. For PEIMS, these accounts are converted to Object Code 6649.

6649  **Capital Assets - Other - Locally Defined Groupings**

This code is used at the discretion of the school district if the school district policy requires the capitalization of items that individually or, as a group, are less than the $5,000 criterion identified in the 6630 series of accounts. If a school district does not account for these items under object code 6649, then the items are to be classified under object code 6399, General Supplies. Any local option codes that are used at the local option are to be converted to account 6649 for PEIMS reporting.
6650  Capital Assets Under Capital Leases

These expenditure object codes are used to classify capital assets under capital leases.

6651  Capital Lease of Buildings

This code is used to classify capitalization of movable buildings and major repairs to buildings under a capital lease arrangement. The contra entry is to other resources.

6652-6653  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

6654-6658  Capital Assets Under Capital Lease - Locally Defined (Convert to Object Code 6659 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures for capital assets under capital lease. For PEIMS, these accounts are converted to Object Code 6659.

6659  Capital Lease of Furniture, Equipment and Software

This code is used to classify capitalization of furniture, equipment and software under a capital lease arrangement. The contra entry is to other resources. Any local option codes that are used at the local option are to be converted to account 6659 for PEIMS reporting.

<table>
<thead>
<tr>
<th>Object 6659 Expenditures to Include:</th>
<th>Object 6659 Expenditures to Exclude:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease purchase of:</td>
<td>• Contract programming non-ownership (Object 6219)</td>
</tr>
</tbody>
</table>
### Object 6659 Expenditures to Include:

- Telephone systems
- Intercommunication and telecommunication systems
- Mainframe and mini-computers
- High-capacity copy machines
- Site licenses and single use software purchase etc., if a lease purchase for $5,000 or more per unit

### Object 6659 Expenditures to Exclude:

- Maintenance fees and/or upgrades (Object 6249)
- Purchase of site licenses, single use software, network fees, etc. (Object 6399 if less than $5,000, or 6669, if in the library)

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#### 6660 Library Books and Media

This account classification is used to account for the acquisition of library books and media that meet the capitalization criteria of the school. Library books and media such as CDs/DVDs, software, learning diskettes and film may be recorded in a capital assets system as a block of items purchased; however, the library should maintain an acquisition ledger that records the detailed cost of each book.

#### 6661-6664 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

#### 6665-6668 Library Books and Media - Locally Defined (Convert to Object Code 6669 for PEIMS)

These codes are used, at the option of the school district, to classify expenditures for library books and media. For PEIMS, these accounts are converted to Object Code 6669.
6669 Library Books and Media

This code is used to classify expenditures for books and film that meet the one year or more useful life criteria; and meets the capitalization criteria of the school or have a per unit value of equal to or greater than $5,000 whichever is less; (Effective September 1, 2001); and are to be catalogued and controlled by the library. All expenditures/expenses coded to object code 6669 are to be coded to function 12, Instructional Resources and Media Services. Any local option codes that are used at the local option are to be converted to account 6669 for PEIMS reporting.

1.4.10 Other Resources/Non-Operating Revenue Object Codes

The school district’s accounting records are to reflect other resources/non-operating revenue at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (budgeted and actual data) purposes. If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit “7.”

The 6669 by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.
### Exhibit 38. Other Resource/Non-Operating Revenue Object Code Structure

#### The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

- **Major Detail**: Indicates a mandatory code for State reporting purposes
- **Account Classification**: Indicates a code that may be used at local option

#### 7000 OTHER RESOURCES/NON-OPERATING REVENUES

These detail accounts reflect estimated (budgeted) and incurred (actual) other resources or non-operating revenues. School districts using subsidiary ledgers may, at the local option, use control accounts as listed in the general ledger to reflect the summarized balances of the subsidiary ledgers.

#### 7010 Estimated Other Resources/Non-Operating Revenues - Control - Local Option

This account is debited at the beginning of the period for the amount of other resources or non-operating revenues anticipated (i.e., National School Lunch Program and earnings from temporary investments for Proprietary Fund Types and similar trust funds).
The credit entry is to the object code 3700 - Budgetary Fund Balance. At the end of the period, this account is credited when fund balance is debited. This control account is to be used at the option of the school district.

7020  Realized Other Resources/Non-Operating Revenues - Control - Local Option

This account is credited for the total actual other resources or non-operating revenues received or receivable (i.e., National School Lunch Programs and earnings from temporary investments for Proprietary Fund Types and similar trust funds) during the period. The postings to the subsidiary ledger detail accounts must be equal to this total other resources/non-operating revenues control account. The debit entry is to cash or an accounts receivable account. At the end of the period this account is closed to fund balance. This control account is to be used at the option of the school district.

7900  Other Resources/Non-Operating Revenues

7910  Other Resources

Other resources (accounts 7911-7949) includes sale of bonds, sale of real and personal property, proceeds from capital leases, operating transfers in, etc. Such amounts are classified separately from revenues on the statement and revenues and expenditures and changes of fund balance of Governmental Fund Types and Expendable Trust Funds.

7911  Issuance of Bonds

This code is used to record the face amount of bonds that are issued.
**R 7912**  
**Sale of Real and Personal Property**

This code is used to classify amounts received from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through Governmental Fund Types and Expendable Trust Funds.

**R 7913**  
**Proceeds from Capital Leases**

This code is used to classify amounts (net of initial or down payments) on contracts for capital leases. This represents the remaining balance to be paid at the time the capital lease is entered into. Such amounts are classified as Other Resources, not as revenue.

**R 7914**  
**Loan Proceeds - Governmental Fund Types and Expendable Trust Funds Only (Non-Current)**

This code is used to classify amounts of proceeds from long-term loans that will not be repaid during the current year. The entire amount of loan proceeds is recorded in this code at the time of receipt. Such receipts are classified as Other Resources, and not as revenue.

**R 7915**  
**Operating Transfers In**

This code is used to classify operating transfers from other funds of the school district.

**R 7916**  
**Premium or Discount on Issuance of Bonds**

This code is used to classify the premium or discount on the issuance of bonds.
7917  **Prepaid Interest**

This code is used to classify prepaid interest in connection with the issuance and/or defeasance of bonds.

7918  **Special Items**

This code is used to classify special items in accordance with GASB Statement No. 34. Included are transactions or events within the control of school district administration that are either unusual in nature or infrequent in occurrence, including sale of certain general governmental capital assets; sale or lease of mineral rights, including oil and gas; sale of infrastructure assets; or significant forgiveness of debt by a financial institution.

7919  **Extraordinary Items**

This code is used to classify extraordinary items in accordance with GASB Statement No. 34. Included are transactions or events that are both unusual in nature and infrequent in occurrence, including insurance proceeds to cover significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm; insurance proceeds to cover costs related to an environmental disaster; or a large bequest to a small government by a private citizen.

7920-7939  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

7940-7948  **Other Resources - Locally Defined (Convert to Object Code 7949 for PEIMS)**

These codes are used, at the option of the school district, to classify other resources not defined elsewhere. For PEIMS reporting, these accounts are converted to account 7949.
Other Resources

This code is used to record other resources not classified above.

Non-Operating Revenues (Proprietary Fund Types and Similar Trust Funds Only)

Non-operating revenues (accounts 7951-7989) consist of non-operating revenues that are recorded as credits in the accounting period in which they are earned and become measurable. These accounts are closed to fund balance at the end of the accounting period.

Gain on Sale of Real and Personal Property

This code is used to classify the net gains from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through Proprietary Fund Types and similar trust Funds.

National School Breakfast Program

This code is used to record non-operating revenues in the enterprise fund for federally funded breakfast program administered by Texas Education Agency. For school districts that utilize the general or special revenue fund to account for the school breakfast program, National School Breakfast Program funds are to be recorded in the revenue code 5921. (10.553)

National School Lunch Program

This code is used to record non-operating revenues in the enterprise fund for federally-funded lunch program administered by the Texas Education Agency. For school districts that utilize the general or special revenue fund to account for the food service program, National School Lunch Program funds are to be recorded in the revenue code 5922. (10.555)
United States Department of Agriculture (USDA) Commodities

This code is used to record non-operating revenues in the enterprise fund for USDA commodities used in the school lunch program. Under the consumption method, revenue is realized as commodities are used whereas under the purchase method revenues are realized when commodities are received. Since actual cash is not received, a debit entry is made simultaneously either to expenditure object code 6344, USDA Commodities (purchase method), or an asset code 1310, Inventory - Supplies and Materials (consumption method). For school districts that utilize the general or special revenue fund to account for the food service program, commodities are to be recorded in the revenue code 5923. (10.555)

- Purchased products for which you receive no USDA commodity equivalent. An example of products that a school would purchase commercially but would not receive as a USDA commodity would be condiments such as catsup and mustard. It is suggested that you base the inventory value for such items on the net purchase price for that item.

- USDA commodity products for which you purchase no commercial equivalent. Examples of USDA commodities that schools receive but usually do not purchase commercially include pouched salmon, frozen diced chicken and prune puree. TDHS will continue to provide you with the value of USDA commodities, which is based on the actual cost per pound.

- Products that you purchase as well as receive as commodities. Canned fruits and vegetables are examples of such products. You may base the value of these products on the net cost to purchase such products, on the commodity value provided by TDHS, or you could also use an average of weighted average of the two values.

Earnings from Temporary Deposits and Investments

This code is used to record non-operating revenues in the enterprise fund for earnings from temporary deposits and
investments. Earnings from investments in the general or special revenue fund are to be recorded in the revenue code 5742.

**Revenue Code 7956: Insurance Recovery**

This code is used to record amounts received from insurance companies for the repair or replacement of the insured property for assets of Proprietary Fund Types and similar trust funds.

**Revenue Code 7957: Contributed Capital**

This code is used to record amounts in connection with transactions involving the “invested in capital assets, net of related debt” component of net assets, including transactions to record additional capital assets that are transferred to an enterprise fund.

**Reserved for Future State Definition (7958-7979)**

These codes are reserved for future state designation and are not to be used by the school district.

**Non-Operating Revenues - Locally Defined (Convert to 7989 for PEIMS) (7980-7988)**

These codes are used, at the option of the school district, to classify non-operating revenues not defined elsewhere. For PEIMS reporting, these accounts are converted to account 7989.

**Revenue Code 7989: Other Non-Operating Revenues**

This code is used to classify amounts received from other non-operating revenue sources.

**Reserved for Future State Definition (7990)**

These codes are reserved for future state designation and are not to be used by the school district.
These codes are reserved for future state designation and are not to be used by the school district.

1.4.11 Other Uses/Non-Operating Expenses Object Codes

The school district’s accounting records are to reflect other uses/non-operating expenses at the most detail level, as depicted in the chart of accounts (4 digits) for accounting and Public Education Information Management System (PEIMS) reporting (actual data) purposes. For PEIMS budget reporting purposes, other uses/non-operating expenses are reported to the fourth digit of detail (89XX). If a school district needs to use codes in addition to the mandatory codes for managerial purposes, the optional codes provided for local use in the code structure should be used.

These codes are distinguished from other types of object codes as they always begin with the digit “8.”

The ☐ by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.
Exhibit 39. Other Uses/Non-Operating Expenses Object Code Structure

The Code Structure

8000 OTHER USES/NON-OPERATING EXPENSES

8010 Appropriated Other Uses/Non-Operating Expenses - Control - Locally Defined

This account is credited at the beginning of the fiscal year for the amounts of budgeted other uses or non-operating expenses and the fund balance is credited. The debit entry is to the object code 3700 - Budgetary Fund Balance. At the end of the fiscal year fund balance is credited when this account is debited. This control account is to be used at the option of the school district.
8020 Encumbered Other Uses/Non-Operating Expenses - Control - Locally Defined

This account code is debited for the amounts encumbered and credited for encumbrances liquidated during the fiscal year. The amounts encumbered (debits) and liquidated (credits) in the subsidiary ledger detail must equal the total debits and credits to this Encumbered Other Uses/Non-Operating Expenses - Control account. At the end of the fiscal year, this account is closed to account 4210, Reserve for Encumbrances.

8030 Actual Other Uses/Non-Operating Expenses - Control - Locally Defined

This account is debited for the total actual other uses/non-operating expenses during the fiscal year with the contra-entry being to cash or liabilities. The postings to the detail subsidiary ledger Other Uses/Non-Operating Expenses accounts must be equal to this actual Encumbered Other Uses/Non-Operating Expenses - Control account. At the end of the fiscal year, this account is closed to fund balance. This control account is to be used at the option of the school district.

8900 Other Uses/Special Items/Extraordinary Items/Non-Operating Expenses

8910 Other Uses

Other uses (8911-8949) are debited in the accounting period in which a measurable fund liability is incurred. Credit entries are to a liability or an asset account.

8911 Operating Transfers Out

This code is used to classify operating transfers to other funds of the school district.
8912 Special Items

This code is used to classify special items in accordance with GASB Statement No. 34. Included are transactions or events within the control of school district administration that are either unusual in nature or infrequent in occurrence, including special termination benefits resulting from workforce reductions; or costs in connection with an early-retirement program offered to all employees represented in one or more classes of employees.

8913 Extraordinary Items

This code is used to classify extraordinary items in accordance with GASB Statement No. 34. Included are transactions or events that are both unusual in nature and infrequent in occurrence, including significant costs related to a natural disaster caused by fire, flood, tornado, hurricane, or hail storm; or costs related to an environmental disaster.

8914-8939 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

8940-8948 Other Uses - Locally Defined (Convert to Account 8949 for PEIMS)

These codes are used, at the option of the school district, to classify other uses not defined elsewhere. For PEIMS reporting, these accounts are converted to account 8949.

8949 Other Uses

This other uses object code is used to record other uses not provided for above. This object code is also used to record amounts refunded to taxpayers as a result of court decisions.
involving tax rate(s), taxable value(s) and/or levy(ies), if such decisions are rendered after the fiscal year of disputed property tax collection(s), including related penalties and/or interest (refunds occurring during the same fiscal year that disputed property taxes, including related penalties and/or interest, were collected are to be recorded as a debit to the appropriate property tax-related revenue object code, 5711, 5712 and/or 5719, and as a credit to a cash and temporary investments object code and/or an accounts payable object code).

8950 Non-Operating Expenses

Non-operating expenses (accounts 8951-8989) are debited in the accounting period in which a measurable fund liability is incurred. Credit entries are to a liability or an asset account.

8951 Loss on Sale of Real and Personal Property

This code is used to classify the net loss from the sale of land, buildings, equipment, furniture, vehicles, etc., accounted for through Proprietary Fund Types and similar trust funds.

8952-8959 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

8960-8988 Non-Operating Expenses - Locally Defined (Convert to Account 8989 for PEIMS)

These codes are used, at the option of the school district, to classify non-operating expenses not defined elsewhere. For PEIMS reporting, these accounts are converted to account 8989.
8989  Non-Operating Expenses

This non-operating expenses object code is used to record non-operating expenses not provided for above.

8990  Reserved for Future State Definition

8991-8999  Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.
1.4.12 Optional Codes 1 and 2

A school district may use the optional codes 1 and 2 if there is a need to account for information not otherwise provided in the mandatory chart of accounts. If a school district uses these optional codes, a locally devised chart of accounts is to be uniformly used in the accounting system. The local chart of accounts should be made part of the district’s copy of Resource Guide, and should be made available for auditing and other purposes.

Exhibit 40. Optional Codes 1 and 2 Structure

The following is an illustration of how optional codes 1 and 2 maybe used to account for start-up cost attributed to a virtual school pilot (VSP) program. This model may be used
for modification or improvements to the VSP system between school years or other intermittent periods. The account codes that may be used to track these costs are as follows:

<table>
<thead>
<tr>
<th>CODE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Planning component one – Determine project goals and implementation timeline</td>
</tr>
<tr>
<td>02</td>
<td>Planning component two – Define the implementation team staffing, roles, and responsibilities</td>
</tr>
<tr>
<td>03</td>
<td>Planning component three – Design the technical architecture</td>
</tr>
<tr>
<td>04</td>
<td>Planning component four - Plan initial training</td>
</tr>
<tr>
<td>05</td>
<td>Planning component five – Other</td>
</tr>
<tr>
<td>06</td>
<td>Requirements gathering component one – Develop narrative documents</td>
</tr>
<tr>
<td>07</td>
<td>Requirements gathering component two – Develop process flow diagrams</td>
</tr>
<tr>
<td>08</td>
<td>Requirements gathering component three - Other</td>
</tr>
<tr>
<td>09</td>
<td>System configuration component one – Purchase and installation of hardware</td>
</tr>
<tr>
<td>10</td>
<td>System configuration component two – Purchase, development and installation of software</td>
</tr>
<tr>
<td>11</td>
<td>System configuration component three – Establish the network infrastructure to allow connectivity</td>
</tr>
<tr>
<td>12</td>
<td>System configuration component four – Other</td>
</tr>
<tr>
<td>13</td>
<td>Fit analysis component one – Customize the VSP system and subcomponents</td>
</tr>
<tr>
<td>14</td>
<td>Fit analysis component two – Modify the technical requirements, specifications, functionality of the VSP system and subcomponents</td>
</tr>
<tr>
<td>15</td>
<td>Fit analysis component three – Create workarounds</td>
</tr>
<tr>
<td>16</td>
<td>Fit analysis component four – Other</td>
</tr>
<tr>
<td>17</td>
<td>Setup component one – Write documentation for VSP instructional delivery system</td>
</tr>
<tr>
<td>18</td>
<td>Setup component two – Write documentation for VSP technology requirements, maintenance and operations</td>
</tr>
<tr>
<td>19</td>
<td>Setup component three – Other</td>
</tr>
<tr>
<td>20</td>
<td>Testing component one – Test installation of VSP instructional delivery system and subcomponents</td>
</tr>
<tr>
<td>21</td>
<td>Testing component two – Other</td>
</tr>
<tr>
<td>22</td>
<td>Transition component one – Prepare teacher and student-level procedure and training manuals</td>
</tr>
<tr>
<td>23</td>
<td>Transition component two – Set up help desk infrastructure and documentation</td>
</tr>
<tr>
<td>24</td>
<td>Transition component three – Evaluate VSP system readiness</td>
</tr>
<tr>
<td>25</td>
<td>Transition component four – Other</td>
</tr>
</tbody>
</table>
Operational component one – Instructional related cost of VSP system during school year
Operational component two – Other VSP operational cost (Administrative, maintenance, etc.)

The illustration above was adapted from the Christopher Allen’s and Vivian Chow’s reference book, Oracle Certified Professional Financial Applications Consultant Exam Guide.

1.4.13 Organization Codes

An organization is a group of employees who are obligated to complete a specific responsibility. Usually, an organization has an identifiable leader or an individual who is accountable for the overall completion of the responsibility. The by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district.

Exhibit 41. Organization Code Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Major Detail</th>
<th>Classification</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Organization Codes (001-999)

- - - - - Indicates a mandatory code for State reporting purposes
----------- Indicates a code that may be used at local option
There are two distinct types of organization units: (1) a campus organization unit, which usually is a group of employees who are obligated to complete the responsibilities of the teaching of, supporting the teaching of and providing the necessary services (such as social services and health services) to a set of students; and (2) an administrative or other organization unit which is a group of people who perform a specific responsibility such as those in the superintendent’s office, the school board or those who perform the business functions for the school district. An organization does not necessarily correspond with a physical location. The activity, not the location, defines the organization. For example, a high school computer science class might be taught at the central administration office, in which case, the appropriate high school organization code would be assigned.

- **Organization Codes:**
  - Campus organization codes as defined in the Texas School Directory are to be used for all other costs clearly attributable to a specific organization. Other costs may be coded to a specific organization or school districts may utilize the TEA-provided cost allocation formula for cost charged to organization code 999 (Undistributed).
  - Administrative organization unit codes (701-750) are mandated for all Function 41, General Administration, costs and with Function 53, Data Processing for those expenditures that are attributable to the business office of the school district.

Accurate use of organization codes is essential for payroll under function 11, Instruction. School districts are to use organization codes in all functions when a cost is clearly attributable to a specific organization. For those costs that are not clearly attributable to specific organization codes, districts will use organization codes 998 (Unallocated, at the local option) or 999 (Undistributed). Refer to Appendix 6 for a chart depicting required organization accounting by expenditure object code and function. Guidance is provided on other methods of allocating costs other than direct recording in the Cost Accounting section of this module.

### 1.4.13.1 Campus Accounting/Coding

With the advent of site-based decision-making and campus accountability, it has become necessary for school districts to provide financial information at all levels of the decision making process. Specifically, a new emphasis is being placed upon providing information on the use of public resources at the campus and program to facilitate legislative budgetary decisions. An impact of the development of the financial accountability system is the reorganization of the system of certain information and collection processes and the redefinition of some of the basic data elements to ensure that campus level payroll costs are appropriately identified.
School districts are mandated to record payroll costs by campus level for educational personnel including professional and paraprofessional personnel where the cost is clearly attributable to a specific organization. The criteria to determine if the payroll costs of such personnel should be recorded to a particular campus/organization is as follows:

- The individual must be dedicated to the day-to-day operations of the campus (partially or fully) and be under the direct or indirect supervision of the campus principal. Personnel that would be recorded to a campus would generally include:
  - Classroom teachers
  - Teacher aides
  - Classroom assistants
  - Librarians
  - Principals
  - Counselors
  - Social workers

However the above is not an all inclusive list of personnel.

- Payroll costs of substitute teachers may be coded to a campus or to the Undistributed Organization Unit (999)

- On-Behalf Teacher Retirement Payments may be coded to a campus or to the Undistributed Organization Unit (999)

### 1.4.13.2 Compliance Monitoring - Organization Codes

TEA provides software in EDIT+ containing a formula to allocate costs recorded in Organization Code 999, Undistributed, according to instructional FTEs (as reported in PEIMS) assigned to organization codes. The formula will allocate costs in Organization Code 999, Undistributed, to campus organizations for functions specified in State Board of Education rules relating to indirect costs. The allocation process is a report type of template and does not change transaction information within the general ledger system.
The allocation process uses payroll and staff data for instructional FTEs, as recorded under function 11, Instruction, as a basis to allocate costs. Accordingly, full use of specific organization codes in function 11 is essential for the optimum functionality of the allocation process. The formula-based allocation will be used for state and federal compliance monitoring purposes, such as monitoring indirect costs, maintenance of effort and comparability requirements. Costs which are classified in Organization Code 998, Unallocated, will not be allocated by the formula; therefore, such costs will not be considered for compliance purposes unless charged to a specific Enhanced Program Intent Code.

001-699 Organization Units - Campuses

Use the campus numbers defined in the Texas School Directory for the school district. As new campuses are opened, TEA is to be notified and a new campus number will be assigned.

Note:

JJAEP Campuses

There are two types of Juvenile Justice Alternative Education Programs (JJAEP). Texas Education Code Chapter 37 authorizes assignment of students to a JJAEP approved by the Texas Juvenile Probation Commission if the school district is located in a county with a population of 72,000 or more. The second type of arrangement is any JJAEP arrangement that is not approved by the Texas Juvenile Probation Commission relating to placement of students that are expelled under Texas Education Code subsection 37.007(a),(b),(d),(c),(e), or (f).

All discretionary or mandatory JJAEP campuses must be registered in the Texas Education Directory (ASKTED). The campus number assigned to the discretionary or mandatory JJAEP is to be used to account for all expenditures that are attributed to JJAEP-related activities (including costs attributed to resources provided by school districts, such as special education teachers employed by school districts that are assigned to work in a discretionary or mandatory JJAEP).

JJAEP Reported as a Discrete Component Unit in the Annual Financial Report

In a few instances, a memorandum of understanding between a county government and a school district authorizes a school district to administer and operate the mandatory JJAEP operations on-behalf of the county government and provide services to school
districts located in the county. When this is the case, the school
district that has primary responsibility under the memorandum of
understanding to administer the mandatory JJAEP operations will
report the JJAEP as a discrete component unit of the school district
in its annual financial report. Financial accounting records must
provide a separate accounting for all transactions that are
attributable to the mandatory JJAEP operations administered by a
school district.

001-040 High School Campuses

Use the campus numbers assigned to high school campuses for the
school district in the Texas School Directory.

041-100 Junior High/Middle School Campuses

Use the campus numbers assigned to junior high/middle school
campuses for the school district in the Texas School Directory.

101-698 Elementary School Campuses

Use the campus numbers assigned to elementary school campuses
for the school district in the Texas School Directory.

699 Summer School Organization

Use this organization code for any summer school and intersession
that is provided by the school district.

700 Organization Units - Administrative

Use this organization code series for all expenditures related to
general administration (Function 41). Organization units 701
through 749 are to be used in Function 41 only. Organization unit
750 is to be used only in Functions 41 and 53 (for those data
processing costs that are related to the business functions of the
school district).
Administrative personnel (principals, assistant principals, etc.) classified in Function 23 are to be charged to the appropriate campus number, 001-699.

701 Organization Unit - Superintendent’s Office

Use this organization code for all expenditures related to the superintendent’s office (Function 41 only).

702 Organization Unit - School Board

Use this organization code for all expenditures related to the school board (Function 41 only).

703 Organization Unit - Tax Costs

Use this organization code for all expenditures related to the cost of levying and collecting taxes (Functions 41 and 99 only).

704-708 Reserved for Future State Definition

These codes are reserved for future state designation and are not to be used by the school district.

709-719 Organization Unit - Direct Costs - Locally Defined (Convert to Organization Code 720 for PEIMS)

These codes are used, at the option of the school district, to define administrative organizational units that are considered direct costs when calculating indirect cost rates. For PEIMS, these accounts convert to 720.

720 Organization Unit - Direct Costs in Function 41 (General Administration)

Use this organization code for all expenditures related to direct costs not attributed to the superintendent, school board or tax
office organization units. Direct costs, for the purposes of this organization unit, are defined in the Calculation of Indirect Cost Rate section.

721-725  **Reserved for Future State Definition**

These codes are reserved for future state designation and are not to be used by the school district.

726-749  **Organization Unit - Indirect Costs - Locally Defined (Convert to Organization Code 750 for PEIMS)**

These codes are used, at the option of the school district, to define administrative organizational units that are considered indirect costs when calculating indirect cost rates. For PEIMS, these accounts convert to 750.

750  **Organization Units - Indirect Costs in Function 41 (General Administration), including Business Office/Personnel/Payroll/Human Resources/Purchasing**

Use this organization code for all expenditures related to costs attributed to business office, personnel, payroll, human resources and purchasing functions in General Administration (Function 41) of the school district.

These costs are considered indirect costs when calculating the indirect cost rates. School districts may, at the local option, use codes 726-749 to account for these areas separately.

Those data processing charges that relate to administrative applications and are classified in Function 53 (Data Processing) should use this organization unit as well. See the Calculation of Indirect Cost Rate section for further guidance.

751  **Fiscal Agent Shared Services Arrangements**
This organization unit code may be used to account for fiscal agent expenditures in a Shared Services arrangement at the school district’s option.

752-799 Organization Units - Reserved for Future State Definition

These organization units are reserved for future state definition and are not to be used by the school district.

800-997 Organization Units - Locally Defined (Convert to Organization Code 999 for PEIMS)

These organization units may be used, at the option of the school district, to provide further accountability for organization units. For PEIMS, these accounts are converted to Organization Code 999.

R 998 Unallocated Organization Unit

This organization unit may be used, at the option of the school district, for any costs which the district does not wish to be allocated according to the formula developed by TEA, i.e., costs that should not be allocated to various campus organizations and program intents based upon instructional FTEs. Such costs may be charged to a specific program intent; however, if they are charged to the Undistributed Program Intent Code (99), they will not be allocated. Since these costs will not be distributed to campus organizations or program intents, they will not be considered in monitoring compliance for indirect costs, maintenance of effort, and comparability requirements, unless charged to a specific Enhanced Program Intent Code.

R 999 Undistributed Organization Unit

Use this organization code for any undistributed costs, i.e., costs that are not a campus or summer school or an administrative unit (Function 41).
1.4.14 Fiscal Year Code

The fiscal year code is a mandatory code to be used by all school districts. For the school district’s fiscal year, the last digit of the school year is to be used (e.g., 2008-09 fiscal year is represented by a “9.”) For projects such as local grants, state grants accounted for as special revenue funds, debt service funds, or construction funds, the current fiscal year code should be used.

Fiscal year code determination is unique for federally funded projects accounted for as special revenue funds. For example, if funding for a federal project begins on July 1, 2007 and ends June 30, 2008, then the fiscal year code used would be “8”. This is done so that the fiscal year code used corresponds with the federal fiscal year in which the funding originated.

Once the fiscal year is assigned to a project, revenues and expenditures/expenses should reflect that number for the duration of the project, even though it may span multiple school district fiscal years.

---

### Exhibit 42. Fiscal Year Code Structure

#### The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X X X</td>
<td>X X X</td>
<td>X X X</td>
<td>X X X</td>
<td>X X</td>
<td>X X X X</td>
<td>X X X</td>
<td>X</td>
<td>X X X</td>
</tr>
</tbody>
</table>

- **Major** - Indicates a mandatory code for State reporting purposes
- **Detail** - Indicates a code that may be used at local option

---

327
The following are examples of fiscal year codes:

<table>
<thead>
<tr>
<th>CODE</th>
<th>DESCRIPTION</th>
<th>CODE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>2005-06</td>
<td>1</td>
<td>2010-11</td>
</tr>
<tr>
<td>7</td>
<td>2006-07</td>
<td>2</td>
<td>2011-12</td>
</tr>
<tr>
<td>8</td>
<td>2007-08</td>
<td>3</td>
<td>2012-13</td>
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<td>2013-14</td>
</tr>
<tr>
<td>0</td>
<td>2009-10</td>
<td>5</td>
<td>2014-15</td>
</tr>
</tbody>
</table>

### 1.4.15 Program Intent Codes

These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students. The intent (the student group toward which the instructional or other service is directed) determines the program intent code, not the demographic makeup of the students served. In the case of state programs, state law may determine the intent and the permissible use of allotments. For state programs, the limitations on the amount of allotments that may be used for indirect costs will need to be considered. Districts are encouraged to monitor expenditures to assure that the limitation on indirect costs is observed, and steps should be taken if necessary to meet these requirements. For additional guidance in the areas of direct and indirect costs, please consult the State Board of Education rules. Consistent with legislative intent, it is the policy of TEA to provide maximum flexibility to school districts by averaging costs up to three years. As state special program expenditures are reviewed, school districts will be afforded the opportunity to address any issues which may arise. School districts should consider the implications of some federal requirements (e.g., maintenance of effort and comparability) when determining local policies on the minimum level of coding expenditures.
School districts are encouraged to use program intent codes with any transaction that is directly attributable to the program intent code.

School districts are to use program intent codes in all functions when a cost is clearly attributable to a specific program intent. Refer to Appendix 6 for additional guidance on program intent accounting. Guidance is provided on other methods of allocating costs other than direct recording in the Cost Accounting section in this module.

1.4.15.2 Athletics and Related Activities Program Intent Code

The following overviews the Program Intent Code 91 (Athletics and Related Activities) accounting requirements:
• **Payroll Costs:**

The Athletics and Related Activities Program Intent Code is mandated for payroll costs (except Expenditure Object Codes 6112 and 6144 use program intent code 99) for Function 36 (Cocurricular/Extracurricular Activities) and other functions if applicable. See chart below.

<table>
<thead>
<tr>
<th>Funds</th>
<th>General</th>
<th>(Fund 1XX)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Functions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cocurricular/Extracurricular Activities</td>
<td></td>
<td>(Function 36)</td>
</tr>
<tr>
<td>Other functions if applicable</td>
<td></td>
<td>(Function XX)</td>
</tr>
<tr>
<td><strong>Class Object</strong></td>
<td>Payroll Costs, except Teacher Retirement On-Behalf Payments</td>
<td>Object codes 6100 XX (except object code 6112 and 6144 use program intent code 99)</td>
</tr>
</tbody>
</table>

• **Other Costs:**

For the General Fund for Function 36 (Cocurricular/Extracurricular Activities) and other functions if applicable, all other expenditures are to be classified to the Athletics and Related Activities Program Intent Code when the expenditure is clearly attributable to this code. Coding of costs other than payroll to the Athletics and Related Activities Program Intent Code is optional.

1.4.15.3 **Undistributed Program Intent Code**

A Basic or Enhanced Program Intent Code is to be charged with costs directly attributable to it. In some cases, this may require the allocation of costs among several program intent codes. However, the allocation of costs should be performed only when, in the judgment of school district management, there would be a material effect on the financial records of either an individual transaction or the total amount of a certain type of transaction. Consideration should also be given to the effort involved in gathering the information necessary to perform the allocation compared to the benefit derived from the allocation of costs.
If a school district elects not to allocate costs to Basic or Enhanced Program Intent Codes or the Athletics and Related Activities Program Intent Code, the Undistributed Program Intent Code 99 is to be used.

### 1.4.15.4 Compliance Monitoring - Program Intent Codes

TEA provides software in PEIMS EDIT+ containing a formula to allocate costs recorded in Program Intent Code 99, Undistributed, according to instructional FTEs (as reported in PEIMS) assigned to Basic and Enhanced Program Intent Codes. The formula-based allocation will be used for state and federal compliance monitoring purposes, such as monitoring indirect costs, maintenance of effort and comparability requirements. Compliance with indirect cost requirements in state law will be monitored by TEA using allocated cost information in PEIMS. This information will include costs assigned to specific program intent codes and those costs which are allocated by the formula to specific program intent codes for functions specified in State Board of Education rules relating to indirect costs. The allocation process is a report type of template and does not change transaction information within the general ledger system. The allocation process uses payroll and staff data for instructional FTEs, as recorded under function 11, Instruction, as a basis to allocate costs. Accordingly, full use of specific program intent codes in function 11 is essential for the optimum functionality of the allocation process. The \textit{R} by a code indicates that the code is required for reporting purposes (PEIMS and/or Annual Financial and Compliance Report) if such codes are applicable to the school district. Shared Services Arrangements cost information which is submitted on a special PEIMS record will also be included in the compliance monitoring calculations. The total costs which will be considered for compliance monitoring purposes are represented by the following formula.

\[
\text{Expenditures coded by the school district to specific Enhanced PICs} + \text{Allocations of expenditures to Enhanced PICs from the Undistributed PIC (99) based upon instructional FTEs} + \text{Expenditures associated with a school district as a member of a shared services arrangement which are coded to specific Enhanced PICs} = \text{Total expenditures used for monitoring purposes such as maintenance of effort, comparability and compliance with State Board of Education rules on indirect costs}
\]

#### IX BASIC SERVICES

#### \textit{R} 11 Basic Educational Services

The costs incurred to provide the basic services for education/instruction to students in grades PK-12 prescribed by state law as well as adult basic and secondary education services. Basic is defined as the curriculum provided for those students that are not in special education. Basic educational services include the
costs to evaluate, place, and provide educational services to students in honors, college preparatory and advanced placement courses.

<table>
<thead>
<tr>
<th>Program Intent Code 11 Costs to Include:</th>
<th>Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred relating to:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• Basic services for education/</td>
<td>• Gifted and talented services (PIC 21)</td>
</tr>
<tr>
<td>instruction (PK-12) prescribed by</td>
<td>• Advanced placement services designated as</td>
</tr>
<tr>
<td>Texas law, including:</td>
<td>part of a gifted and talented program (PIC 21)</td>
</tr>
<tr>
<td>- Regular education program</td>
<td>• Additional salaries and related expenditures/</td>
</tr>
<tr>
<td>for limited English proficiency</td>
<td>expenses associated with band, UIL</td>
</tr>
<tr>
<td>students</td>
<td>speech, debate, science competition, class</td>
</tr>
<tr>
<td>• PK funded from basic education</td>
<td>sponsors, student organizations social clubs,</td>
</tr>
<tr>
<td>allotment during one-half of full-day</td>
<td>(i.e., NHS, Beta Club, Letterman’s Club) (PIC</td>
</tr>
<tr>
<td>program</td>
<td>99)</td>
</tr>
<tr>
<td>• District/campus improvement plan</td>
<td>• Additional salaries and related expenditures/</td>
</tr>
<tr>
<td>• Honors, college preparatory courses</td>
<td>expenses associated with serving as coaches,</td>
</tr>
<tr>
<td>• Advanced placement courses</td>
<td>athletic directors, drill team sponsors,</td>
</tr>
<tr>
<td>not designated as part of a gifted</td>
<td>cheerleader sponsors, pep squad sponsors, or</td>
</tr>
<tr>
<td>and talented program</td>
<td>other organized activity to support athletics</td>
</tr>
<tr>
<td>• Adult basic and secondary</td>
<td>(i.e., additional days employed reduction of</td>
</tr>
<tr>
<td>education services</td>
<td>class load, length of day, etc.) (PIC 91)</td>
</tr>
<tr>
<td>• Section 504 students</td>
<td>• Basic services for DAEPs (PIC 28)</td>
</tr>
<tr>
<td>• Physical education (P.E.) classes</td>
<td>• Services for alternative education programs</td>
</tr>
<tr>
<td>when athletic activities take place,</td>
<td>(nondisciplinary) that do not represent costs</td>
</tr>
<tr>
<td>but P.E. or P.E. equivalent credit</td>
<td>for providing services to students at risk of</td>
</tr>
<tr>
<td>is issued</td>
<td>cost.</td>
</tr>
<tr>
<td>• Foreign language courses</td>
<td></td>
</tr>
<tr>
<td>• TEKS for foundation curriculum and</td>
<td></td>
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<tr>
<td>electives in</td>
<td></td>
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</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Program Intent Code 11 Costs to Include:</td>
<td></td>
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<tr>
<td>--------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>enrichment curriculum as needed for high school graduation</td>
<td></td>
</tr>
<tr>
<td>• Day Care Cost</td>
<td></td>
</tr>
<tr>
<td>• In School Suspension Program</td>
<td></td>
</tr>
<tr>
<td>• Parenting Classes</td>
<td></td>
</tr>
<tr>
<td>• Services for an elective alternative education program for students not at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>Program Intent Code 11 Costs to Exclude (with Correct Program Intent Code):</td>
<td></td>
</tr>
<tr>
<td>dropping out of school, as defined under Section 29.081 TEC (PIC 31)</td>
<td></td>
</tr>
<tr>
<td>• Costs for nondisciplinary alternative education programs (PIC 26)</td>
<td></td>
</tr>
<tr>
<td>• AEP costs (Basic and Supplemental)</td>
<td></td>
</tr>
<tr>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
<td></td>
</tr>
<tr>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
<td></td>
</tr>
<tr>
<td>• Title I, Part A services</td>
<td></td>
</tr>
</tbody>
</table>

2X  ENHANCED SERVICES

R 21  Gifted and Talented

The costs incurred to assess students for program placement and provide instructional services (which are guided by the state plan) beyond the basic educational program and that are designed to meet the needs of students in gifted and talented programs.
### Program Intent Code 21 Costs to Include:

Costs incurred relating to:
- Gifted and talented programs
- Advanced placement courses designated as part of a gifted and talented program

### Program Intent Code 21 Costs to Exclude (with Correct Program Intent Code):

Costs incurred relating to:
- Honors, college preparatory courses (PIC 11)
- Advanced placement courses not designated as part of a gifted and talented program (PIC 11)
- Summer camps, summer schools, field trips or other summer enrichment programs (PIC 11)
- All DAEP related cost

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### R 22 Career and Technical

The costs incurred to evaluate, place and provide educational and/or other services to prepare students for gainful employment, advanced technical training or for homemaking. This may include apprenticeship and job training activities.

### Program Intent Code 22 Costs to Include:

Costs incurred relating to:
- Career and Technical for Handicapped (VEH)
- Employment preparation services

### Program Intent Code 22 Costs to Exclude (with Correct Program Intent Code):

Costs incurred relating to:
- Vocational adjustment classes - VAC (PIC 23)
- Quasi - Vocational classes in Middle School and Junior High (PIC 11)
### Program Intent Code 22 Costs to Include:
- Apprenticeship and job training activities
- All career and technical courses (grades 9-12 and VEH for grades 7-8)
- Career and Technical Supervisor or Director
- Career and Technical Counselors
- Programs which follow the State Plan for Career and Technical Education

### Program Intent Code 22 Costs to Exclude (with Correct Program Intent Code):
- Career and Technical courses that do not meet the state guidelines (PIC 11)
- All DAEP related cost

#### Services to Students with Disabilities (Special Education)

The costs incurred to evaluate, place and provide educational and/or other services to students who have Individual Educational Plans (IEP) approved by Admission, Review and Dismissal (ARD) committees. These plans are based on students’ disabilities and/or learning needs.

### Program Intent Code 23 Costs to Include:
- Costs incurred relating to:
  - Students who are served in the special education program under identified instructional settings such as:

### Program Intent Code 23 Costs to Exclude (with Correct Program Intent Code):
- Costs incurred relating to:
  - Services to Section 504 students (PIC 11)
  - Career and Technical for Handicapped (VEH) (PIC 335)
<table>
<thead>
<tr>
<th>Program Intent Code 23 Costs to Include:</th>
<th>Program Intent Code 23 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Homebound</td>
<td>• Regular education services in the basic educational program, including the salaries of regular education personnel (PIC 11)</td>
</tr>
<tr>
<td>- Hospital class</td>
<td>• All DAEP related cost</td>
</tr>
<tr>
<td>- Speech therapy</td>
<td></td>
</tr>
<tr>
<td>- Resource room</td>
<td></td>
</tr>
<tr>
<td>- “Self-contained, mild, moderate or severe” classroom</td>
<td></td>
</tr>
<tr>
<td>- Off home campus setting</td>
<td></td>
</tr>
<tr>
<td>(multi-district, community class and self-contained separate campus)</td>
<td></td>
</tr>
<tr>
<td>- Residential Care and treatment facility</td>
<td></td>
</tr>
<tr>
<td>- Residential facility</td>
<td></td>
</tr>
<tr>
<td>- Nonpublic contract</td>
<td></td>
</tr>
<tr>
<td>- Vocational adjustment class (VAC)</td>
<td></td>
</tr>
<tr>
<td>- Mainstream (support for students in inclusive setting)</td>
<td></td>
</tr>
<tr>
<td>• Students with identified disabilities under the Individuals with Disabilities Education Act and TEC</td>
<td></td>
</tr>
<tr>
<td>• Special Education directors, coordinators or supervisors</td>
<td></td>
</tr>
</tbody>
</table>
Program Intent Code 23 Costs to Include:  

- State funded special education extended year program  
- Services to preschool students with disabilities (ages below 5)

Program Intent Code 23 Costs to Exclude (with Correct Program Intent Code):

\[ \text{R24} \]

**Accelerated Education**

The costs incurred to use instructional strategies in accordance with campus/district improvement plans to provide services in addition to those allocated for basic services for instruction, thereby increasing the amount and quality of instructional time for students at risk of dropping out of school.

FSP compensatory education expenditures are attributable to program intent code 24, Accelerated Education, only if the expenditures are supplemental. Activities reflected in expenditures attributable to FSP compensatory education are those activities that supplement the regular education program for students at risk of dropping out of school.

As a goal, accelerated education seeks to provide a challenging and meaningful instructional program to close the achievement gap between children at risk of dropping out of school and their peers.

Program Intent Code 24 Costs to Include:

- Supplemental costs to the Regular Education Program for additional instructional programs and instructional related services specifically designed to benefit students at risk of dropping out of school.

Program Intent Code 24 Costs to Exclude (with Correct Program Intent Code):

- Costs incurred relating to:
  - Basic services (PIC 11)
  - Services for nondisciplinary
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>as defined by Section 29.081, Texas Education Code:</strong></td>
<td>alternative education programs (Basic and Supplemental Costs)</td>
</tr>
<tr>
<td>• Intensive instructional programs</td>
<td>• Services for disciplinary alternative education programs (Basic and Supplemental Costs)</td>
</tr>
<tr>
<td>• State Compensatory Education (SCE) supplemental instructional activities for students at risk of dropping out of school</td>
<td>• SCE costs incurred to provide services in support of <strong>Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students</strong> (PIC 30)</td>
</tr>
<tr>
<td>• Concentrated instructional staff resources</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• Reduction of class size</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Teacher assistants</td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>• Staff development activities for teachers and teacher assistants to add new competencies specifically geared to the needs of students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Extension of the instructional day, week and/or year</td>
<td></td>
</tr>
<tr>
<td>• Implementation of individual and small group tutorials</td>
<td></td>
</tr>
<tr>
<td>• Purchase of specialized computer-assisted instruction</td>
<td></td>
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<tr>
<td>• Purchase of specialized instructional supplies and materials</td>
<td></td>
</tr>
<tr>
<td>• Specialized instructional</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>equipment</td>
<td></td>
</tr>
<tr>
<td>• TAKS remediation</td>
<td></td>
</tr>
<tr>
<td>• Dropout recovery/dropout intervention services at high school/middle school campuses/centers</td>
<td></td>
</tr>
<tr>
<td>• School Reform programs</td>
<td></td>
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<tr>
<td>• Individualized instruction programs</td>
<td></td>
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<tr>
<td>• Summer/intersession programs</td>
<td></td>
</tr>
<tr>
<td>• Local programs to &quot;close the gap&quot;</td>
<td></td>
</tr>
<tr>
<td>• Visiting teachers</td>
<td></td>
</tr>
<tr>
<td>• Improvements and enhancements to programs for limited English proficiency (LEP) students</td>
<td></td>
</tr>
<tr>
<td>• Mentorship programs</td>
<td></td>
</tr>
<tr>
<td>• Residential placement programs</td>
<td></td>
</tr>
<tr>
<td>• Costs for modified curriculum for instructional services provided to migrant students</td>
<td></td>
</tr>
<tr>
<td>• Costs incurred to provide supplemental services in support of Title I, Part A</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>• Supplemental instructional services in support of a Title I, Part A Targeted Assistance Program</td>
<td></td>
</tr>
<tr>
<td>• Cost of services for a modified curriculum program specifically designed to improve the academic performance of students at risk of dropping out of school, as defined under Section 29.081, Texas Education Code</td>
<td></td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td></td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td></td>
</tr>
<tr>
<td>• An accelerated reading instruction program under Section 28.006(g) in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td></td>
</tr>
</tbody>
</table>

**R.25 Bilingual Education and Special Language Programs**

The costs incurred to evaluate, place and provide educational and/or other services that are intended to make the students proficient in the English language, primary language literacy, composition and academic language related to required courses.
These services include the bilingual basic program of instruction and special assistance to increase cognitive academic language proficiencies in English.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred relating to:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• Services intended to make students proficient in English</td>
<td>• Foreign language courses (PIC 11)</td>
</tr>
<tr>
<td>• Provision of a bilingual program</td>
<td>• All DAEP related cost</td>
</tr>
<tr>
<td>• Provision of ESL instruction</td>
<td>• Full salary of bilingual/ESL instructors</td>
</tr>
<tr>
<td>• Instruction in primary language</td>
<td></td>
</tr>
<tr>
<td>• Increase in cognitive academic language proficiencies</td>
<td></td>
</tr>
<tr>
<td>• Bilingual services to immigrant students</td>
<td></td>
</tr>
<tr>
<td>• Program and student evaluation</td>
<td></td>
</tr>
<tr>
<td>• Instructional materials and equipment</td>
<td></td>
</tr>
<tr>
<td>• Staff development</td>
<td></td>
</tr>
<tr>
<td>• Supplemental staff expenses</td>
<td></td>
</tr>
<tr>
<td>• Salary supplements for teachers</td>
<td></td>
</tr>
<tr>
<td>• Supplies required for quality instruction and smaller class size</td>
<td></td>
</tr>
</tbody>
</table>
All costs incurred services to students who are separated from the regular classroom to a nondisciplinary alternative education program and are at risk of dropping out of school. Services must be described in the campus improvement plan.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nondisciplinary AEP education program costs:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• A program specifically designed to serve students at risk of dropping out of school, as defined by TEC, Section 29.081</td>
<td>• State Compensatory Education (SCE) costs to provide services in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• English language arts, mathematics, science, history, and self-discipline</td>
<td>• Costs incurred to provide supplemental services in support of Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td>• Educational and behavioral needs</td>
<td>• Services under Title I, Part A</td>
</tr>
<tr>
<td>• Supervision</td>
<td>• Services for an elective alternative education program for students not at risk of dropping out of school (PIC 11)</td>
</tr>
<tr>
<td>• Counseling</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• Parental involvement</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Security</td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion</td>
</tr>
</tbody>
</table>
Program Intent Code 26 Costs to Include:

- to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)

- An accelerated reading instruction program under Section 28.006(g) in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)

Program Intent Code 26 Costs to Exclude (with Correct Program Intent Code):

Disciplinary Alternative Education Program – DAEP Basic Services

All costs incurred to provide the base line program (nonsupplemental) services to students who are separated from the regular classroom to a disciplinary alternative education program. For the purpose of analyzing compliance with the 85% minimum expenditure rule for the FSP compensatory education allotment for each fiscal year (beginning with fiscal year 2003 or beginning with the twelve month period ended on June 30, 2003 or August 31, 2003), the Texas Education Agency will include in its analysis base level costs recorded under this program intent code in an amount up to 18% of the FSP compensatory education allotment. (See Section 9.3.7, Module Nine for methodology) Services must be described in the campus improvement plan.

Program Intent Code 28 Costs to Include:

- DAEP base level education program costs:
  - English language arts, mathematics, science, history, and self-discipline
  - Educational and behavioral

Program Intent Code 28 Costs to Exclude (with Correct Program Intent Code):

- Costs incurred relating to:
  - Nondisciplinary AEPs (Basic and supplemental costs)
  - **Supplemental** costs for disciplinary alternative education program services
<table>
<thead>
<tr>
<th>Program Intent Code 28 Costs to Include:</th>
<th>Program Intent Code 28 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>needs</td>
<td>(PIC 29)</td>
</tr>
<tr>
<td>• Supervision</td>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• Counseling</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td>• Parental involvement</td>
<td>• Services under Title I, Part A</td>
</tr>
<tr>
<td>• Security</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>• An accelerated reading instruction program under Section 28.006(g) in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
<td></td>
</tr>
</tbody>
</table>

**Disciplinary Alternative Education Program – DAEP State Compensatory Education Supplemental Costs**

The supplemental costs incurred to provide services to students who are separated from the regular classroom to a disciplinary alternative education program. These costs are supplemental costs in relation to standards for base level education resource allocations and must be described in the campus improvement plan.
### Program Intent Code 29 Costs to Include:

<table>
<thead>
<tr>
<th>DAEP supplemental SCE costs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• English language arts, mathematics, science, history, and self-discipline</td>
</tr>
<tr>
<td>• Educational and behavioral needs</td>
</tr>
<tr>
<td>• Supervision</td>
</tr>
<tr>
<td>• Counseling</td>
</tr>
<tr>
<td>• Parental involvement</td>
</tr>
<tr>
<td>• Security</td>
</tr>
<tr>
<td>• Mentoring services program for students at risk of dropping out of school</td>
</tr>
<tr>
<td>• Cost of a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003 in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
</tr>
<tr>
<td>• An accelerated reading instruction program under Section 28.006(g) in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g)</td>
</tr>
</tbody>
</table>

### Program Intent Code 29 Costs to Exclude (with Correct Program Intent Code):

<table>
<thead>
<tr>
<th>Costs incurred relating to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Basic services for DAEPs (PIC 28)</td>
</tr>
<tr>
<td>• Nondisciplinary AEPs (Basic and supplemental costs)</td>
</tr>
<tr>
<td>• AEP costs (Basic and Supplemental)</td>
</tr>
<tr>
<td>• SCE costs incurred in support of Title I, Part A schoolwide campuses with 40% or greater educationally disadvantaged students (PIC 30)</td>
</tr>
<tr>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td>• Title I, Part A services</td>
</tr>
<tr>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td>• Parenting Classes (PIC 11)</td>
</tr>
</tbody>
</table>
Title I, Part A Schoolwide Activities Related to State Compensatory Education (SCE) and Other Costs on Campuses with 40% or More Educationally Disadvantaged Students

The SCE costs incurred to supplement federal awards for use on Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students (including fund code 211) in the amount of the SCE allotment used to supplement federal awards. This program intent code is also used in the Special Revenue Fund for fiscal budgets approved in notice of grant awards (NOGA) for schoolwide federal projects benefiting Title I, Part A schoolwide campuses with at least 40% educationally disadvantaged students.

State law provides flexibility with the use of SCE funds on Title I, Part A campuses at which at least 40% of the students are educationally disadvantaged. SCE funds used to support a Title I, Part A program must be part of the campus budget and all SCE expenditures must be tracked back to the SCE fund code, and all generally accepted accounting principles must be followed. As with Title I funds, SCE funds used to upgrade the educational program must also meet the same guidelines required of NCLB in that SCE funds may only be used to incorporate instructional strategies that scientifically-based research has shown are effective with teaching low-achieving students.

SCE funds may be used on a Title I, Part A Schoolwide campus to upgrade the educational program where the actual poverty percentage of the campus is 40% or greater as long as the SCE funds allocated to the campus are supplemental to the costs of the regular education program. To determine a campus’ poverty percentage, school districts will use the same auditable poverty data used for Title I, Part A for identifying Title I campuses in the NCLB Consolidated Application for Federal Funding, located on the Title I Campus Selection Schedule. The use of these funds just be described and evaluated in the schoolwide campus improvement plan.

Although activities conducted with SCE funds may be used to support the Title I program, the campus must continue to receive its fair share of state and local funds for conducting the regular education program, and the intent and purpose of the SCE Program must still be met.
<table>
<thead>
<tr>
<th>Program Intent Code 30 Costs to Include:</th>
<th>Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCE costs incurred to supplement the following eight components of a Title I, Part A schoolwide program:</td>
<td>SCE costs incurred relating to:</td>
</tr>
<tr>
<td>(1) A <strong>comprehensive needs assessment</strong> of the entire school, including the needs of any migratory children in attendance. This assessment is based on information about the achievement of children in relation to the Texas state Academic Standards (TAKS). It should identify gaps between the current status of the school and its vision of where it wants to be, relative to key indicators or focus areas. Data obtained from the needs assessment provide the foundation for the goals of the comprehensive schoolwide plan.</td>
<td>• Basic and supplemental services at AEPs and DAEPs</td>
</tr>
<tr>
<td>(2) <strong>Schoolwide reform strategies</strong> that provide opportunities for all children to meet the state’s academic standards, particularly low-achieving children. The schoolwide plan also should address how the school will determine if student needs have been met.</td>
<td>• SCE costs incurred to provide supplemental services in support of a Title I, Part A targeted assistance program. (PIC 24)</td>
</tr>
<tr>
<td>(3) <strong>Instruction by highly qualified teachers</strong> (refer to the NCLB Program Coordination web page for additional information: <a href="http://www.tea.state.tx.us/nclb/">http://www.tea.state.tx.us/nclb/</a>)</td>
<td>• Day Care Cost (PIC 11)</td>
</tr>
<tr>
<td>(4) <strong>High quality and ongoing professional development</strong> for teachers, principals, and paraprofessionals, and if</td>
<td>• In School Suspension Program (PIC 11)</td>
</tr>
<tr>
<td></td>
<td>• Parenting Classes (PIC 11)</td>
</tr>
<tr>
<td>Program Intent Code 30 Costs to Include:</td>
<td>Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>appropriate, pupil services personnel, parents, and other staff.</td>
<td></td>
</tr>
<tr>
<td>(5) Strategies to attract high-quality highly qualified teachers.</td>
<td></td>
</tr>
<tr>
<td>(6) Increased parental involvement activities.</td>
<td></td>
</tr>
<tr>
<td>(7) Assistance for preschool children in the transition from early childhood programs, such as Head Start, Even Start, Early Reading First, or a state-run preschool program, to local elementary school programs.</td>
<td></td>
</tr>
<tr>
<td>(8) Inclusion of teachers in the decisions regarding the use of academic assessments in order to provide information on, and to improve, the achievement of individual students and the overall instructional program.</td>
<td></td>
</tr>
<tr>
<td>(9) Provision of effective, timely additional assistance and activities to students who experience difficulty mastering the proficient or advanced levels of academic achievement standards. This shall include measures to ensure that students’ difficulties are identified on a timely basis and provide sufficient information on which to base effective assistance.</td>
<td></td>
</tr>
<tr>
<td>(10) Coordination and integration of federal, state, and local services and programs.</td>
<td></td>
</tr>
</tbody>
</table>
Program Intent Code 30 Costs to Include:  

Program Intent Code 30 Costs to Exclude (with Correct Program Intent Code):

**R 31 High School Allotment (effective fiscal year 2009/10)**

This program intent code is to be used to account for the $275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12. If the district meets certain college readiness and completion rate standards, there are less restrictions on how the funds are spent—see TEC 39.234.

This amount is not paid separately, but is combined with other Foundation School Program funds. The breakdown of the amount is provided on the Summary of Finance for journal entry purposes.

See the High School Allotment section of the HB1 implementation page for general information and a link to TAC 61 for rules on high school allotment.

This PIC is to be used beginning in fiscal year 2009/10 with fund 199 to align with the movement to Tier I funding; however, before that time it may be coded to fund 428 to record any remaining fund balance at the end of fiscal year 2008/09.

**32-6X Reserved for Future State Definition**

These program intent codes are reserved for future state definition and are not to be used by school districts.

**71-8X Reserved for use by Education Service Centers**

This group of program intent codes is reserved for use by education service centers to provide special accountability in areas such as bus driver training and driver education. These codes are not to be used by school districts.
Program Intent Code 71-8X - Costs to Include:

- Bus driver training and driver education provided by education service centers
- Other services as designated by education service centers

Program Intent Code 71-8X - Costs to Exclude (with Correct Program Intent Code):

- Services specifically defined in other program intent codes (appropriate PIC)

9X OTHER

R 91 Athletics and Related Activities

The costs incurred to provide for participation in competitive athletic activities such as football, basketball, golf, swimming, wrestling, gymnastics, baseball, tennis, track, volleyball, etc. This includes costs associated with coaching as well as sponsors for drill team, cheerleaders, pep squad or any other organized activity to support athletics. However, this does not include band.

Program Intent Code 91 Costs to Include:

- Additional salaries associated with serving as coaches, athletic directors drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (i.e., additional days employed, reduction of class load, length of day, etc.)

Program Intent Code 91 Costs to Exclude (with Correct Program Intent Code):

- Additional salaries and related expenditures/ expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs (i.e., NHS, Beta club, Letterman’s Club) (PIC 99)
R 99 Undistributed

All charges which are not readily distributed to program intent codes are classified here. Program intent code 99 may be used when recording substitute teachers and on-behalf teacher retirement payments in all function codes. This code may be used for costs not clearly attributable to a specific program intent.

<table>
<thead>
<tr>
<th>Program Intent Code 99 Costs to Include:</th>
<th>Program Intent Code 99 Costs to Exclude (with Correct Program Intent Code):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs incurred relating to:</td>
<td>Costs incurred relating to:</td>
</tr>
<tr>
<td>• Substitute teachers (if not allocated to specific PICs)</td>
<td>• Additional salaries associated with serving as coaches, athletic directors, drill team sponsors, cheerleader sponsors, pep squad sponsors, or other organized activity to support athletics (i.e., additional days employed, reduction of class load, length of day, etc.) (PIC 91)</td>
</tr>
<tr>
<td>• Teacher retirement on-behalf payment (if not allocated to specific PICs)</td>
<td></td>
</tr>
<tr>
<td>• Additional salaries and related expenditures/expenses associated with band, UIL speech, debate, science competition, class sponsors, student organizations, social clubs (i.e., NHS, Beta club, Letterman’s Club)</td>
<td></td>
</tr>
</tbody>
</table>

1.4.16 Optional Code 3

This account group/category code is used, at the option of the school district, to provide more detailed accountability at the local level, if needed for management purposes. This code is not reported through PEIMS and may be used for any purpose that the school district chooses. The following page suggests a use for the code; however the suggested used should not be construed as mandatory. The school district may use the code in any manner.
This code was previously used, at the local option, to account for the educational span. The school district may choose to use the optional codes listed below for that purpose.

A  Pre-Kindergarten

A beginning group or class that is organized to provide educational experiences for children during the year or years preceding kindergarten. These educational experiences are a part of the sequential program of the elementary school and are under the direction of a qualified teacher.

B  Kindergarten

A group or class that is organized to provide educational experiences for children during the year immediately preceding the
first grade. These educational experiences are a part of the sequential program of the elementary school and are under the direction of a qualified teacher.

C Grade 1

D Grade 2

E Grade 3

F Grade 4

G Grade 5

H Grade 6

I Grade 7

J Grade 8

K Grade 9

L Grade 10

M Grade 11

N Grade 12

O Post 12th Grade

Day or evening education programs of instruction designed to meet the needs of youth who have completed their formal secondary education.

P Elementary
Education in a school classified as “elementary” and composed of any span of grades not above 6, including special schools and institutions. Elementary is normally reported as grades 1 through 6.

Q Secondary

Education in a school classified as “secondary” and composed of any span of grades beginning with the next grade following elementary school and ending with grade 12, including junior high schools, different types of high schools, and special schools and institutions. Secondary is normally reported as grades 7 through 12.

R Middle

A class designated as lying between elementary and secondary education.

S Non-Graded Elementary

An elementary class which is not organized on the basis of grade and has no standard grade designation. Such classes may contain pupils of different ages who are identified according to level of performance rather than grade or age level.

T Non-Graded Secondary

A secondary class which is not organized on the basis of grade and has no standard grade designation. Such classes may contain pupils of different ages who are identified according to level of performance rather than grade or age level.

U Non-Graded, Other

Other education conducted on a non-graded basis.

V Additional local option codes
1.4.17 Optional Codes 4 and 5

These codes are used, at the option of the school district to provide local option coding as needed or desired. A chart of locally assigned accounts should be kept for managerial, auditing and other purposes.

Exhibit 45. Optional Codes 4 and 5 Structure

The Code Structure

<table>
<thead>
<tr>
<th>Fund/Group</th>
<th>Function</th>
<th>Object</th>
<th>Local Option Codes 1 and 2</th>
<th>Organization</th>
<th>Fiscal Year</th>
<th>Program Intent Code</th>
<th>Local Option Code 3</th>
<th>Local Option Codes 4 and 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X X</td>
<td>X X X X X</td>
<td>X</td>
<td>X X</td>
<td>X</td>
<td>X X</td>
</tr>
<tr>
<td>Major Detail</td>
<td>Major Detail</td>
<td>Account Classification</td>
<td>Major Detail</td>
<td>Local Option Codes 4 and 5</td>
<td>(XX)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Some suggested uses for these codes include:

- Tracking multiple projects within one fund
- Providing instructional costs by grade level
- Providing detail instructional costs by subject area such as Algebra I, Algebra II, etc.
- Providing major groupings by subject area such as mathematics, science and English

### 1.4.18 Data Control Codes

These codes refer to the account code structure prescribed by the TEA in the Annual Financial Audit GASB Data Feed. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

The standards for the GASB Data Feed are found on the Financial Audits website under *Instructions for Electronic Report Submission*. 
## UPDATED BUDGET DEVELOPMENT TIMELINE
### 2015-2016
#### (Legislative Year)

<table>
<thead>
<tr>
<th>Date</th>
<th>Board Meeting</th>
<th>Task/Action Required</th>
<th>EE7</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 8</td>
<td>Board Meeting</td>
<td>Presentation of proposed budget development timeline</td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Confirm Board priorities and budget assumptions</td>
<td></td>
</tr>
<tr>
<td>January 22</td>
<td>Board Meeting</td>
<td>Presentation of preliminary aggregate budget and revenue estimates</td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presentation of projections, i.e.: enrollment, $/student, and teacher/instructional assistant to student ratios</td>
<td>7.5</td>
</tr>
<tr>
<td>February 2</td>
<td>Board Retreat</td>
<td>Presentation of multi-year plan</td>
<td>7.2/7.9</td>
</tr>
<tr>
<td>March 5</td>
<td>Board Meeting</td>
<td>Budget summary and budget development update, including fund balance estimate</td>
<td>7.8</td>
</tr>
<tr>
<td>March 26</td>
<td>Board Meeting</td>
<td>Presentation of preliminary staffing plan</td>
<td></td>
</tr>
<tr>
<td>April 2</td>
<td>Board Meeting</td>
<td>Request Board early release of essential positions/propose teacher contracts for renewal/non renewal</td>
<td>7.8</td>
</tr>
<tr>
<td>April 16</td>
<td>Board Meeting</td>
<td>Teacher contract action. [Send notice to non-renewal staff, if any]</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Update of budget aggregates (budget, revenue, tax)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request Board early release of essential positions</td>
<td></td>
</tr>
<tr>
<td>May 7</td>
<td>Board Meeting</td>
<td>Update of budget aggregate (budget, revenue, tax, fund balance estimates)</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presentation of teacher and non-teacher salary studies and recommended teacher and non-teacher salary scales for 15/16</td>
<td>7.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request for early release of capital outlay</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request Board early release of essential positions</td>
<td></td>
</tr>
<tr>
<td>June 2</td>
<td>Board Meeting</td>
<td>Presentation of refined budget and tax information based on latest available estimates</td>
<td>7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Update on preliminary property value</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request Board early release of essential positions</td>
<td>7.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request Board approval of teacher/non-teacher salary scales and stipend scales for 15/16</td>
<td></td>
</tr>
<tr>
<td>June 18</td>
<td>Board Meeting</td>
<td>Presentation of refined budget based on latest available estimates</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presentation of preliminary tax rate scenario</td>
<td></td>
</tr>
<tr>
<td>July 16</td>
<td>Board Meeting</td>
<td>Present update on 2015/16 budget development, including fund balance estimates</td>
<td>7.7</td>
</tr>
<tr>
<td>(only 1 mtg in July)</td>
<td>Present update on 2015/16 budget development, including fund balance estimates</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board President calls a meeting for the purpose of adopting a budget for the succeeding fiscal year for August 27th</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Request Board early release of essential positions</td>
<td></td>
</tr>
<tr>
<td>July 25</td>
<td>N/A</td>
<td>Williamson Central Appraisal District Chief Appraiser Certifies 2015 Tax Roll to District</td>
<td></td>
</tr>
<tr>
<td>July 28</td>
<td>Board Retreat</td>
<td>Presentation of multi-year plan</td>
<td>7.2/7.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legislative update/unfunded mandates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tax rate discussion</td>
<td></td>
</tr>
<tr>
<td>August 6</td>
<td>Board Meeting</td>
<td>Presentation of administrative recommendation for 15/16 budget</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Certified property value update</td>
<td>7.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Present estimated tax rate calculations</td>
<td></td>
</tr>
<tr>
<td>August 12</td>
<td>N/A</td>
<td>Required Public Notice of August 27th Public Meeting in Hill Country News and Four Points News (requires minimum of 10 days/maximum of 30 days prior to hearings). Due to local paper Friday, August 7</td>
<td>7.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post required summary of proposed budget to website (Section 44.004 of the Education Code)</td>
<td></td>
</tr>
<tr>
<td>August 13</td>
<td>N/A</td>
<td>Required Public Notice of August 27th Public Meeting in Hill Country News and Four Points News (requires minimum of 10 days/maximum of 30 days prior to hearings). Due to local paper Friday, August 7</td>
<td></td>
</tr>
<tr>
<td>August 27</td>
<td>Board Meeting</td>
<td>Final Amendment of 14/15 Budget</td>
<td>7.1/7.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15/16 Public Budget and Tax Rate Hearing with Separate Meeting for Adoption of Budget, and Discussion/Possible Adoption of Tax Rate</td>
<td></td>
</tr>
<tr>
<td>August 28</td>
<td>N/A</td>
<td>Travis Central Appraisal District Chief Appraiser Certifies 2015 Tax Roll to District</td>
<td></td>
</tr>
<tr>
<td>September 2</td>
<td>N/A</td>
<td>Required Public Notice of September 17th Public Meeting in Four Points News (requires minimum of 10 days/maximum of 30 days prior to hearings). Due to local paper Friday, August 28</td>
<td></td>
</tr>
<tr>
<td>September 3</td>
<td>N/A</td>
<td>Required Public Notice of September 17th Public Meeting in Hill Country News (requires minimum of 10 days/maximum of 30 days prior to hearings). Due to local paper Friday, August 28</td>
<td></td>
</tr>
<tr>
<td>September 3</td>
<td>Board Meeting</td>
<td>Update on certified property values</td>
<td>7.1/7.6</td>
</tr>
<tr>
<td>September 17</td>
<td>Board Meeting</td>
<td>15/16 Public Tax Rate Hearing with Separate Meeting for Adoption of 2015 Tax Rate</td>
<td>7.1/7.6</td>
</tr>
</tbody>
</table>

Note that this timeline is an estimated schedule of activities and dates may vary based on Legislative activities or other factors.
AUTHORIZED EXPENDITURES

The District shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation.  *Tex. Const. Art. III, Sec. 52; Brazoria County v. Perry, 537 S.W.2d 89 (Tex. Civ. App.—Houston [1st Dist.] 1976, no writ)*

The District shall not grant any extra compensation, fee, or allowance to a public officer, agent, servant, or contractor after service has been rendered or a contract entered into and performed in whole or in part.  Nor shall the District pay or authorize the payment of any claim against the District under any agreement or contract made without authority of law.  *Tex. Const. Art. III, Sec. 53; Harlingen Indep. Sch. Dist. v. C.H. Page and Bro., 48 S.W.2d 983 (Comm. App. 1932)*

The state and county available funds disbursed to the District shall be used exclusively for salaries of professional certified staff and for interest on money borrowed on short time to pay such salaries, when salaries become due before school funds for the current year become available.  Loans for paying professional certified staff salaries may not be paid out of funds other than those for the current year.  *Education Code 45.105(b)*

Local funds from District taxes, tuition fees, other local sources, and state funds not designated for a specific purpose may be used for salaries of any personnel and for purchasing appliances and supplies; for the payment of insurance premiums; for buying school sites; for buying, building, repairing, and renting school buildings, including acquisition of school buildings and sites by leasing through annual payments with an ultimate option to purchase [see CHG]; and for other purposes necessary in the conduct of the public schools to be determined by the Board.  *Education Code 45.105(c)*

No public funds of the District may be spent in any manner other than as provided for in the budget adopted by the Board.  *Education Code 44.006(a)*

USE OF DISTRICT RESOURCES

IMPROVEMENTS TO REAL PROPERTY

Except as provided below or by Education Code 45.109(a-1) or (a-2) [see CX], the Board shall not enter into an agreement authorizing the use of District employees, property, or resources for the provision of materials or labor for the design, construction, or renovation of improvements to real property not owned or leased by the District.

This section does not prohibit the Board from entering into an agreement for the design, construction, or renovation of improve-
ments to real property not owned or leased by the District if the improvements benefit real property owned or leased by the District. Benefits to real property owned or leased by the District include the design, construction, or renovation of highways, roads, streets, sidewalks, crosswalks, utilities, and drainage improvements that serve or benefit the real property owned or leased by the District.

*Education Code 11.168*

**HOTELS**

The Board may not impose taxes, issue bonds, use or authorize the use of District employees, use or authorize the use of District property, money, or other resources, or acquire property for the design, construction, renovation, or operation of a hotel. The Board may not enter into a lease, contract, or other agreement that obligates the Board to engage in an activity prohibited by this section or obligates the use of District employees or resources in a manner prohibited by this section.

“Hotel” means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a motel.

*Education Code 11.178*

**ELECTIONEERING**

The Board may not use state or local funds or other resources of the District to electioneer for or against any candidate, measure, or political party. *Education Code 11.169*

**COMMITMENT OF CURRENT REVENUE**

A contract for the acquisition, including lease, of real or personal property is a commitment of the District’s current revenue only, provided the contract contains either or both of the following provisions:

1. Retains to the Board the continuing right to terminate the contract at the expiration of each budget period during the term of the contract.

2. Is conditioned on a best efforts attempt by the Board to obtain and appropriate funds for payment of the contract.

*Local Gov’t Code 271.903*

**FISCAL YEAR**

The Board may determine if the District’s fiscal year begins on July 1 or September 1 of each year. *Education Code 44.0011*

**BUDGET PREPARATION**

The Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the District for the following fiscal year. *Education Code 44.002*
A district that is required to provide accelerated instruction under Education Code 29.081(b-1) [see EHBC] shall separately budget sufficient funds, including funds under Education Code 42.152, for that purpose. The District may not budget funds received under Education Code 42.152 for any other purpose until the District adopts a budget to support additional accelerated instruction. 

**Education Code 29.081(b-2)**

The proposed budget shall be prepared on or before a date set by the State Board of Education, currently August 20 (June 19 if the District uses a July 1 fiscal year start date). Education Code 44.002(a); 19 TAC 109.1(a), .41

The adopted budget must be filed with the Texas Education Agency on or before the date established in the Financial Accountability System Resource Guide. Education Code 44.005; 19 TAC 109.1(a)

After the proposed budget has been prepared, the Board President shall call a Board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any taxpayer of the District may be present and participate in the meeting. Education Code 44.004(a), (f) [See CCG for provisions governing tax rate adoption]

The meeting must comply with the notice requirements of the Open Meetings Act. Gov’t Code 551.041, .043

The Board President shall also provide for publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or bi-weekly newspaper published in the District. If no daily, weekly, or biweekly newspaper is published in the District, the President shall provide for publication of notice in at least one newspaper of general circulation in the county in which the District’s central administrative office is located. The notice shall be published not earlier than the 30th day or later than the tenth day before the date of the hearing.

The published notice of the public meeting to discuss and adopt the budget and the proposed tax rate must meet the size, format, and content requirements dictated by law.

The notice is not valid if it does not substantially conform to the language and format prescribed by the comptroller.

If the District has not complied with the published notice requirements in the FORM OF NOTICE described above, and the requirements for DISTRICTS WITH JULY 1 FISCAL YEAR below, if applicable, and the failure to comply was not in good faith, a person
who owns taxable property in the District is entitled to an injunction restraining the collection of taxes by the District. An action to enjoin the collection of taxes must be filed before the date the District delivers substantially all of its tax bills.

*Education Code 44.004(b)–(e)*

Concurrently with the publication of notice of the budget under Education Code 44.004, the District shall post a summary of the proposed budget on the District’s Internet Web site or, if the District has no Internet Web site, in the District’s central administrative office.

The budget summary must include a comparison to the previous year’s actual spending and information relating to per student and aggregate spending on:

1. Instruction;
2. Instructional support;
3. Central administration;
4. District operations;
5. Debt service; and
6. Any other category designated by the Commissioner.

*Education Code 44.0041*

If the debt service rate calculated under Education Code 44.004(c)(5)(A)(ii)(b) decreases after the publication of the notice required by this section, the Board President is not required to publish another notice or call another meeting to discuss and adopt the budget and the proposed lower tax rate. *Education Code 44.004(g-1)*

The Board shall adopt a budget to cover all expenditures for the succeeding fiscal year at the meeting called for that purpose and before the adoption of the tax rate for the tax year in which the fiscal year covered by the budget begins. *Education Code 44.004(f)–(g)*

By April 30, the chief appraiser shall prepare and certify an estimate of the taxable value of District property. *Tax Code 26.01(e)*

A district with a fiscal year beginning July 1 may use the certified estimate of the taxable value of District property in preparing the
published notice if the District does not receive the certified appraisal roll on or before June 7. A district that uses a certified estimate may adopt a budget at the public meeting designated in the published notice prepared using the estimate, but the District may not adopt a tax rate before the District receives the certified appraisal roll for the District. *Education Code 44.004(h)–(i)*

**BUDGET ADOPTION AFTER TAX RATE ADOPTION**

Notwithstanding Education Code 44.004(g), (h), and (i), above, the District may adopt a budget after the District adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the District elects to adopt a tax rate before receiving the certified appraisal roll for the District as provided by Tax Code 26.05(g). Following adoption of the tax rate [see CCG], the District must publish notice and hold a public meeting before the District may adopt a budget. The comptroller shall prescribe the language and format to be used in the notice. The District may use the certified estimate of taxable value in preparing the notice. *Education Code 44.004(j)*

**PUBLICATION OF ADOPTED BUDGET**

On final approval of the budget by the Board, the District shall post on the District’s Internet Web site a copy of the budget adopted by the Board. The District’s Web site must prominently display the electronic link to the adopted budget.

The District shall maintain the adopted budget on the District’s Web site until the third anniversary of the date the budget was adopted. *Education Code 39.084*

**AMENDMENT OF APPROVED BUDGET**

The Board shall have the authority to amend the approved budget or to adopt a supplementary emergency budget to cover necessary unforeseen expenses.

Copies of any amendment or supplementary budget must be prepared and filed in accordance with State Board rules. *Education Code 44.006*

**FAILURE TO COMPLY WITH BUDGET REQUIREMENTS**

A Board member who votes to approve any expenditure of school funds in excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits a misdemeanor offense. *Education Code 44.052(c)*

**CERTAIN DONATIONS**

The District may donate funds or other property or service to the adjutant general’s department, the Texas National Guard, or the Texas State Guard. *Gov’t Code 437.111(b), .252, .304(a)*
ANNUAL OPERATING BUDGET
Board Policy CE(LOCAL)

FISCAL YEAR
The District shall operate on a fiscal year beginning September 1
and ending August 31.

CURRICULUM
BUDGET LINKAGE
The District- and building-level budget development processes
shall support the curricular and instructional priorities. The District
shall maintain a system of ongoing internal evaluation to ensure
adequate resources to support such priorities.

BUDGET PLANNING
Budget planning shall be an integral part of overall program plan-
ing so that the budget effectively reflects the District's programs
and activities and provides the resources to implement them. In
the budget planning process, general educational goals, specific
program goals, and alternatives for achieving program goals shall
be considered, as well as input from the District- and campus-level
planning and decision-making committees. Budget planning and
evaluation are continuous processes and shall be a part of each
month's activities.

BUDGET MEETING
The annual public meeting to discuss the proposed budget and tax
rate shall be conducted as follows:

1. The Board President shall request at the beginning of the
   meeting that all persons who desire to speak on the proposed
   budget and/or tax rate sign up on the sheet provided.

2. Prior to the beginning of the meeting, the Board may establish
time limits for speakers.

3. Speakers shall confine their remarks to the appropriation of
   funds as contained in the proposed budget and/or the tax
   rate.

4. No officer or employee of the District shall be required to re-
spond to questions from speakers at the meeting.

AUTHORIZED
EXPENDITURES
The adopted budget provides authority to expend funds for the pur-
poses indicated and in accordance with state law, Board policy,
and the District's approved purchasing procedures. The expendi-
ture of funds shall be under the direction of the Superintendent or
designee who shall ensure that funds are expended in accordance
with the adopted budget.

BUDGET
AMENDMENTS
The Board shall amend the budget when a change is made in-
creasing any one of the functional spending categories or increas-
ing revenue object accounts and other resources.

MAINTENANCE OF
RESERVES POLICY
PURPOSE
Board adoption of a policy addressing maintenance of reserves is
intended to provide a guideline for the management of reserve
funds of the District.
ANNUAL OPERATING BUDGET
Board Policy CE(LOCAL)

The Board recognizes that no policy can meet every circumstance and intends that these provisions shall serve as a guideline to be used by the Board and administration to handle routine tasks and as a starting point for discussion in deciding on more complex questions.

INTENT OF THE BOARD

The Board intends that funds shall be available for emergency needs of the District and shall provide funds to be used for such purposes and such opportunities as shall arise, which will benefit the District.

RESERVE GOAL OPERATIONS AND MAINTENANCE

The District shall maintain a minimum of two months of operating funds in reserve.

The District’s goal shall be, when possible, to have available three months of operating funds reserves.

INTEREST AND SINKING

The District shall maintain at least 20 percent of the next fiscal year’s requirement.

The Board’s goal shall be for the District to achieve a reserve fund of 30 percent of the next fiscal year’s requirement.

IMPLEMENTATION

The Board delegates to the Superintendent the responsibility for knowing the amount of reserves available and for recommending a budget that will meet the goals of the Board as expressed in this policy.
District Fund Codes

The funds of Leander ISD have been established under the rules prescribed in the Financial Accounting and Reporting Module of the Texas Education Agency (TEA) Financial Accountability System Resource Guide (also known as FASRG). This budget document contains detailed information for all funds (only the general, food service, and debt service funds require approval annually).

The following is a list of the funds that shall account for transactions in 2015/2016:

<table>
<thead>
<tr>
<th>Fund No.</th>
<th>Fund Code Name</th>
<th>Fund Type</th>
<th>Fund Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>196</td>
<td>m-LISD</td>
<td>General</td>
<td>Governmental</td>
</tr>
<tr>
<td>197</td>
<td>Athletics</td>
<td>General</td>
<td>Governmental</td>
</tr>
<tr>
<td>199</td>
<td>General Operating Fund</td>
<td>General</td>
<td>Governmental</td>
</tr>
<tr>
<td>211</td>
<td>ESEA Title I, Part A</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>220</td>
<td>Adult Education/English Literacy</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>224</td>
<td>IDEA-B, Formula</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>225</td>
<td>IDEA-B, Preschool</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>240</td>
<td>Food Service Fund</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>242</td>
<td>Summer Feeding Program</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>244</td>
<td>Vocational - Carl D. Perkins</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>255</td>
<td>Title II, Part A</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>263</td>
<td>Title III, Part A LEP</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>288</td>
<td>Summer School LEP</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>385</td>
<td>Visually Impaired</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>397</td>
<td>Advanced Placement Incentive</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>410</td>
<td>Instructional Materials Allotment</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>427</td>
<td>TWC Apprenticeship</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>429</td>
<td>State Funded Special Revenue</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>461</td>
<td>Campus Activity Funds</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>479</td>
<td>Permanent Scholarship Fund</td>
<td>Permanent</td>
<td>Governmental</td>
</tr>
<tr>
<td>499</td>
<td>Locally Funded Special Revenue</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>599</td>
<td>Debt Service Fund</td>
<td>Debt Service</td>
<td>Governmental</td>
</tr>
<tr>
<td>628</td>
<td>Capital Projects Fund</td>
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<td>Governmental</td>
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<tr>
<td>629</td>
<td>Capital Projects Fund</td>
<td>Capital Projects</td>
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<tr>
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<td>Capital Projects Fund</td>
<td>Capital Projects</td>
<td>Governmental</td>
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<tr>
<td>631</td>
<td>Capital Projects Fund</td>
<td>Capital Projects</td>
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<tr>
<td>632</td>
<td>Capital Projects Fund</td>
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<td>Capital Projects Fund</td>
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<tr>
<td>634</td>
<td>Capital Projects Fund</td>
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<tr>
<td>635</td>
<td>Capital Projects Fund</td>
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</tr>
<tr>
<td>636</td>
<td>Capital Projects Fund</td>
<td>Capital Projects</td>
<td>Governmental</td>
</tr>
<tr>
<td>637</td>
<td>Capital Projects Fund</td>
<td>Capital Projects</td>
<td>Governmental</td>
</tr>
<tr>
<td>699</td>
<td>Capital Projects Fund</td>
<td>Capital Projects</td>
<td>Governmental</td>
</tr>
<tr>
<td>753</td>
<td>Workers’ Comp &amp; Safety Fund</td>
<td>Internal Service</td>
<td>Proprietary</td>
</tr>
</tbody>
</table>
## District Fund Codes (Continued)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Control Type</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>770</td>
<td>Property &amp; Casualty Deduct</td>
<td>Internal Service</td>
<td>Proprietary</td>
</tr>
<tr>
<td>771</td>
<td>Health Insurance Fund</td>
<td>Internal Service</td>
<td>Proprietary</td>
</tr>
<tr>
<td>772</td>
<td>I-PAD Repair Reserve</td>
<td>Internal Service</td>
<td>Proprietary</td>
</tr>
<tr>
<td>819</td>
<td>Scholarship Fund</td>
<td>Agency</td>
<td>Fiduciary</td>
</tr>
<tr>
<td>863</td>
<td>Payroll Clearing</td>
<td>Agency</td>
<td>Fiduciary</td>
</tr>
<tr>
<td>864</td>
<td>Accounts Payable Clearing</td>
<td>Agency</td>
<td>Fiduciary</td>
</tr>
<tr>
<td>865</td>
<td>Student Activity</td>
<td>Agency</td>
<td>Fiduciary</td>
</tr>
<tr>
<td>877</td>
<td>Teacher Hospitality</td>
<td>Special Revenue</td>
<td>Governmental</td>
</tr>
<tr>
<td>901</td>
<td>General Long-term Fixed Assets</td>
<td>Government-wide</td>
<td>Governmentwide</td>
</tr>
<tr>
<td>902</td>
<td>General Long-term Debt</td>
<td>Government-wide</td>
<td>Governmentwide</td>
</tr>
</tbody>
</table>
Budget Implementation Plan and Allocation of Human & Financial Resources

Budget Implementation Plan

The Budget Office will serve as the primary department that oversees the implementation of the approved annual budgets. All goals, objectives, and strategies identified in this document will supplement all laws, policies, and procedural manuals so that the Budget Office can effectively implement the budget plan approved by the Board of Trustees.

The District currently has a fund balance reserve policy that requires a minimum of two months of operating funds in reserve. The goal is to have available three months of operating fund reserves.

The Board policy manual can be found on the District’s website, and administrative staff should be contacted if any questions arise about such policy.

Allocation of Human and Financial Resources

The budget for LISD is people intensive, as is true with the majority of school districts. Approximately 85% of the budget is comprised of salaries and benefits so it is imperative to the continued financial health of the District to monitor staff levels during the staff allocation process. Student to teacher ratios are reviewed systematically during the year and all support services are analyzed regularly to ensure ratios are acceptable.

Financial resources are distributed to each campus based upon average daily attendance (ADA) and special population and program needs. Student needs, such as instructional supplies, come from these budget allocations. Other costs, such as professional development and utilities, are based upon historical trends, special requests, etc.

Key factors affecting the development of the budget include the following:

- Increased revenue due to increase in property value;
- Increase in Austin Yield and basic allotment, including fractional funding;
- 2% pay increase to remain competitive;
- TRS payroll tax - unfunded mandate totaling approximately $2.4 million;
- Start-up costs to open a sixth high school; and
- Positions to accommodate the increase in student enrollment.

The majority of local revenue is received in the form of local property tax collections. However, approximately $3 million is received through locally generated revenue sources, including, but not limited to, gate receipts for athletic events, facility rentals, etc.
Budget Overview

The following documents represent a financial plan for the Leander Independent School District for the 2015/2016 fiscal year. These documents are the direct result of obtaining input from students, parents, citizens, campus and administrative staff, Superintendent, and Board of Trustees. In addition, historical trends and statistics assist administrative staff in determining projected outcomes that may impact relevant factors and/or drivers that determine the funding levels and related expenses of a specific fund.

This budget provides the financial resources necessary to enhance the instructional environment for all students (i.e. gifted and talented, special education, etc.), continue to offer a competitive salary & benefits package to employees and operate our campuses.

Funding Information

Please understand that the projected state/federal revenues are estimates based upon the latest finance template which includes changes from the 84th Legislative Session. The finance template appears to be current with all known drivers, factors and other relevant information so that the District can make accurate budget decisions.

The State Foundation School Program (FSP) has gone through major changes since House Bill 1 (HB1) was enacted as part of the 3rd Special Session of the 79th Legislature. During the 81st Regular Legislative Session a strong push was made to return to a formula driven system (from target revenue per student) but the consensus was made to make a small adjustment to each district’s target revenue amount and close the inequity gap among the 1,000 plus Texas school districts (c/o HB 3646).

The 2011 Legislative Session was the first time since 1949 (Gilmer-Aiken Act) that Public Education saw a decrease in available funding ($5.4 billion). The following details summarize the financial impact for Public Education due to Senate Bill 1:

- A 6% across the board cut to all districts in year one
- A target revenue phase out formula in year two
Funding Information (continued)

The 2013 Legislative Session was the first time in years that a funding increase was approved. While Senate Bill 1 of the 83rd Session did not replace the amount of funds cut in 2011, it did provide the following:

- Added $3.4 billion to formula funding
- Increased basic allotment to $4,950 and $5,040 in 2014 and 2015, respectively
- Included $330 million to fund TRS transition aid for 2014/15 related to SB 1458

The 2015 Legislative Session resulted in additional unfunded mandates and nominal funding changes. Based on the latest school finance template, the funding bills (HB 1, HB 7, and SB 1) of the 84th Session resulted in the District being $14.3 million short of funding levels in 2011. With ASATR set to sunset September 1, 2017, it is possible that another $3.5 million or more could be lost to State coffers in 24 months.

Texas Legislators enacted the following funding changes for the upcoming biennium:

- Added $1.2 billion to formula funding
- Added $200 million for fractionally funded districts
- Added $47.5 million for New Instructional Facilities Allotment
- Added $55.5 million for Instructional Facilities Allotment
- Increased basic allotment to $5,140 or 2% (from $5,040)
- Increased Austin yield to $74.28 (2016) and $77.53 (2017)
- Eliminated $4 billion of resources to provide tax relief
- Eliminated funding related to the TRS tax (SB 1458 of 83rd Session)
- Reduction of 37% in funding for Student Success Initiative

Capital Expenditure Information

Capital improvements and replacements, commonly referred to as major maintenance, is funded by the general fund budget.

Enrollment Information

The Leander Independent School District served over 36,000 students in the 2014/15 school year. The District encompasses 200 square miles with geographic areas that include the communities of Steiner Ranch, Crystal Falls, Parkside, and other neighborhoods.

Leander ISD student population has not changed significantly in recent years. The economic disadvantaged population, demographics, etc. have remained relatively constant.
Enrollment Information (continued)

The demographer report indicates the following key enrollment trends:

- Fewer younger students;
- Younger families building fewer new homes; and
- Lack of regeneration in built-out subdivisions.

Other Budgetary Information

The general fund budget has been prepared based on trends and drivers such as enrollment growth, maintaining educational programs offered to students, stable economic disadvantaged percentage of student population, and staff increases based on current formulae.

Other relative factors and trends that financially impact the general fund are:

- Property value growth
- Potential underpayment or overpayment as the LPE may be forecasted under/over district projections
- No accrued obligation for retiree health insurance has been committed by District at the fund level
- The District does not receive any alternative tax collections, e.g., sales tax, income tax, sin tax, etc.

There has been no significant changes in fund balances, and the District plans to utilize fund balance to address any negative trends in upcoming budget forecasts.

All district goals and objectives have been included in the current budget.

All accrued obligations for post-employment benefits have been reflected in the budget.

The District’s classification of its fund balances include nonspendable, restricted, committed, assigned, and unassigned. There are no amounts which drive certain classifications. As of August 31, 2014, the District had the following fund balance amounts by category:

- Nonspendable $ 1,544,970
- Restricted $244,806,821
- Committed $ 18,352,972
- Assigned $ 4,524,712
- Unassigned $ 85,028,684
Major Revenue Sources and Assumptions

Major Revenue Sources

Most school districts have a healthy balance between their State and local resources. For the Leander Independent School District, only one-fourth of total revenues are funded by State Aid programs (property taxes are the largest revenue source).

Overall, the aggregate revenue budgets for 2015/2016 are as follow:

- $ 276,539,477 in local revenues
- $ 92,887,778 in state revenues
- $ 7,557,282 in federal revenues
- $ 15,000 in other sources

The majority of local revenue is received in the form of local property tax collections. However, approximately $3 million is received through locally generated revenue sources, including, but not limited to, gate receipts for athletic events, athletic and academic camps, facility rentals, and after-school enrichment programs.

The State Foundation School Program (FSP) which has gone through major changes since House Bill 1 (HB1) was enacted as part of the 3rd Special Session of the 79th Legislature. During the 81st Regular Legislative Session a strong push was made to return to a formula driven system (from target revenue per student) but the consensus was made to make a small adjustment to each district’s target revenue amount and close the inequity gap among the 1,000 plus Texas school districts (care of HB3646).

During the 82nd Special Legislative Session, the “new money” from the 2009 Legislative Session (stimulus funds) was redacted. Overall, Public Education saw a reduction of state aid of $4 billion along with another $1.4 billion of grant funds (i.e. technology allotment).

The 2013 Legislative Session was the first time in years that a funding increase was approved. While Senate Bill 1 of the 83rd Session did not replace the amount of funds cut in 2011, it did provide the following:

- Added $3.4 billion to formula funding
- Increased the basic allotment to $4,950 and $5,040 in 2014 and 2015, respectively
- Included $330 million to fund TRS transition aid for 2014/15 related to SB 1458
The latest funding changes for school finance were established during the 84th Legislative Session this past Spring. The two major bills that affected funding were House Bill (HB) 1, which increased the basic allotment and the Austin Yield, and HB 7, which will allow fractionally funded districts to receive an increased portion of the basic allotment. While these changes did increase funding, the modifications again, failed to restore the funding cuts from 2011. The adopted changes to school funding included the following:

- Increased the basic allotment to $5,140 for both years of the biennium
- Added $200 million for fractional funding (districts with M&O tax rates below $1.50 in 2005-06 – applies to LISD)
- Increased the Austin Yield to $74.28 (2016) and $77.53 (2017)
- Added $55.5 million for Instructional Facilities Allotment
- Added $47.5 million for New Instructional Facilities Allotment
- Included $1.2 billion to fund the hold harmless provision as a result of the $10,000 increase to the homestead exemption

Assumptions

The Texas Legislature meets biennially, during odd numbered years, and the next regular session is scheduled for Spring, 2017. Leander ISD has forecasted revenue projections based upon the assumption that State funding mechanisms will remain static up to and through that period of time as no new money shall be received outside of what the formulas currently provide.

There is an underlying assumption of property value growth and enrollment growth, which impacts certain major revenue sources and major expenditure categories.
# 2015/2016 Budget Summary – General Fund

## Revenues:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5700</td>
<td>Local Revenues</td>
<td>$186,213,487</td>
</tr>
<tr>
<td>5800</td>
<td>State Revenues</td>
<td>$91,778,173</td>
</tr>
<tr>
<td>5900</td>
<td>Federal Revenues</td>
<td>$2,730,000</td>
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<tr>
<td>7900</td>
<td>Other Sources</td>
<td>$15,000</td>
</tr>
<tr>
<td></td>
<td>Total Revenues</td>
<td><strong>$280,736,660</strong></td>
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</tbody>
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## Expenditures:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Instruction</td>
<td><strong>$174,220,469</strong></td>
</tr>
<tr>
<td>12</td>
<td>Instructional Resources/Media</td>
<td>$3,351,500</td>
</tr>
<tr>
<td>13</td>
<td>Curriculum/Staff Development</td>
<td>$8,235,475</td>
</tr>
<tr>
<td>21</td>
<td>Instructional Leadership</td>
<td>$2,481,930</td>
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<td>23</td>
<td>School Leadership</td>
<td>$16,983,201</td>
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<tr>
<td>31</td>
<td>Guidance Counseling &amp; Assessment</td>
<td>$11,822,758</td>
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<td>32</td>
<td>Social Work/Truancy</td>
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<td>33</td>
<td>Health Services</td>
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<td>34</td>
<td>Student Transportation</td>
<td>$8,817,639</td>
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<td>35</td>
<td>Food Services</td>
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<td>36</td>
<td>Co-curricular Extracurricular Activities</td>
<td>$8,088,141</td>
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<tr>
<td>41</td>
<td>General Administration</td>
<td>$5,828,749</td>
</tr>
<tr>
<td>51</td>
<td>Plant Maintenance and Operations</td>
<td>$37,298,409</td>
</tr>
<tr>
<td>52</td>
<td>Security &amp; Monitoring</td>
<td>$1,357,558</td>
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<tr>
<td>53</td>
<td>Data Processing</td>
<td>$8,328,603</td>
</tr>
<tr>
<td>61</td>
<td>Community Services</td>
<td>$1,783,163</td>
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<tr>
<td>95</td>
<td>JJAEP (Juvenile Justice)</td>
<td>$330,625</td>
</tr>
<tr>
<td>99</td>
<td>Other Intergovernmental Charges</td>
<td>$1,763,654</td>
</tr>
<tr>
<td></td>
<td>Total Expenditures</td>
<td><strong>$294,099,894</strong></td>
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Net Surplus (Deficit) $$(13,363,234)$$
2015/2016 Budget Summary – Food Service Fund

<table>
<thead>
<tr>
<th>Revenues:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>5700 Local Revenues</td>
<td>$8,377,313</td>
</tr>
<tr>
<td>5800 State Revenues</td>
<td>72,000</td>
</tr>
<tr>
<td>5900 Federal Revenues</td>
<td>4,827,282</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$13,276,595</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35 Food Services</td>
<td>$13,140,453</td>
</tr>
<tr>
<td>51 Plant Maintenance &amp; Operations</td>
<td>- 0 -</td>
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<tr>
<td>Total Expenditures</td>
<td>$13,140,453</td>
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</table>

Net Surplus (Deficit) | $136,142
### 2015/2016 Budget Summary – Debt Service Fund

**Revenues:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>5700</td>
<td>Local Revenues</td>
<td>$81,948,677</td>
</tr>
<tr>
<td>5800</td>
<td>State Revenues</td>
<td>$1,037,605</td>
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<tr>
<td>5900</td>
<td>Federal Revenues</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>Total Revenues</td>
<td>$82,986,282</td>
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</table>

**Expenditures:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>Debt Service</td>
<td>$82,986,282</td>
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<tr>
<td></td>
<td>Total Expenditures</td>
<td>$82,986,282</td>
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Net Surplus (Deficit) $-0-$
# Leander Independent School District

## Analysis of Revenues and Expenditures

### Summary of All Funds

<table>
<thead>
<tr>
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<td><strong>Revenues</strong></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5700 Local Revenues</td>
<td>208,864,989 $</td>
<td>218,634,405 $</td>
<td>236,636,842 $</td>
<td>261,535,163 $</td>
<td>276,539,477 $</td>
<td>299,101,548 $</td>
<td>313,387,026 $</td>
<td>325,648,033 $</td>
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<tr>
<td>5800 State Revenues</td>
<td>98,542,478</td>
<td>97,277,541</td>
<td>99,922,378</td>
<td>96,414,339</td>
<td>92,887,778</td>
<td>82,867,214</td>
<td>84,651,166</td>
<td>83,718,765</td>
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<tr>
<td>5900 Federal Revenues</td>
<td>6,053,799</td>
<td>7,418,987</td>
<td>7,657,367</td>
<td>7,041,746</td>
<td>9,038,828</td>
<td>8,137,304</td>
<td>7,237,750</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>313,461,266 $</td>
<td>323,330,933 $</td>
<td>344,216,587 $</td>
<td>364,991,248 $</td>
<td>376,984,537 $</td>
<td>381,007,590 $</td>
<td>391,007,590 $</td>
<td>406,175,496 $</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6100 Payroll Costs</td>
<td>198,222,059</td>
<td>212,278,469</td>
<td>219,047,721</td>
<td>234,047,316</td>
<td>253,686,036</td>
<td>265,286,968</td>
<td>272,742,931</td>
<td>283,786,870</td>
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<tr>
<td>6200 Contracted Services</td>
<td>27,014,246</td>
<td>25,304,972</td>
<td>25,348,112</td>
<td>31,695,832</td>
<td>37,031,144</td>
<td>38,832,965</td>
<td>37,719,182</td>
<td>37,378,871</td>
</tr>
<tr>
<td>6300 Supplies and Materials</td>
<td>8,969,551</td>
<td>9,206,696</td>
<td>10,808,075</td>
<td>13,595,511</td>
<td>12,634,444</td>
<td>13,258,627</td>
<td>12,869,920</td>
<td>12,959,711</td>
</tr>
<tr>
<td>6500 Debt Service</td>
<td>58,483,109</td>
<td>61,464,358</td>
<td>66,880,214</td>
<td>76,110,261</td>
<td>82,986,282</td>
<td>92,725,031</td>
<td>97,268,558</td>
<td>101,159,300</td>
</tr>
<tr>
<td>6400 Other Operating Costs</td>
<td>3,246,256</td>
<td>3,076,733</td>
<td>2,872,786</td>
<td>3,191,849</td>
<td>3,183,218</td>
<td>3,415,673</td>
<td>2,745,924</td>
<td>2,942,116</td>
</tr>
<tr>
<td>6600 Capital Outlay</td>
<td>771,474</td>
<td>826,684</td>
<td>2,506,136</td>
<td>1,434,674</td>
<td>705,505</td>
<td>664,190</td>
<td>625,783</td>
<td>647,251</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>296,706,694 $</td>
<td>312,871,913 $</td>
<td>327,463,043 $</td>
<td>360,075,483 $</td>
<td>390,226,629 $</td>
<td>414,206,460</td>
<td>423,972,298</td>
<td>438,874,120</td>
</tr>
<tr>
<td><strong>Excess Revenues Over Expenditures</strong></td>
<td>16,754,572 $</td>
<td>10,459,020 $</td>
<td>16,753,544 $</td>
<td>4,915,765</td>
<td>(13,242,092)</td>
<td>(23,198,871)</td>
<td>(17,796,801)</td>
<td>(22,269,572)</td>
</tr>
<tr>
<td><strong>Other Resources (Uses)</strong></td>
<td>(2,580,592)</td>
<td>(3,636,725)</td>
<td>(3,736,875)</td>
<td>(3,059,145)</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Fund Balance-Beginning (as re-stated)</strong></td>
<td>97,813,528 $</td>
<td>111,987,506 $</td>
<td>120,809,802 *</td>
<td>133,826,470 $</td>
<td>135,683,090 $</td>
<td>122,455,998 $</td>
<td>99,272,128 $</td>
<td>81,490,326 $</td>
</tr>
<tr>
<td><strong>Fund Balance-Ending-Projected</strong></td>
<td><strong>$ 111,987,507 $ $</strong> 118,809,801 * $</td>
<td><strong>$ 133,826,470 $</strong> 135,683,090 $</td>
<td>122,455,998 $</td>
<td>99,272,128 $</td>
<td>$ 81,490,326 $</td>
<td>$ 59,235,755 $</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Difference due to a prior period adjustment related to the close out of the payroll liability for $2 million.
General Fund Overview

The General Fund is commonly referred to as the “Operating Fund”, “M&O Fund” or “Fund 199”. Local tax revenue and state aid entitlements comprise the majority of the revenues earned in this fund type.

This fund is used to pay operating expenses throughout the District (included but not limited to most staff salaries, classroom services and supplies, utilities, insurance coverage, etc.).

Budgetary Considerations

The District will operate under House Bill 1 (84th Legislature) which, unfortunately, does not include new state aid for Leander ISD (outside of enrollment growth). Moreover, it does not replenish the cuts made during the 82nd Legislature in 2011, and leaves LISD $14 million short of the 2011 funding levels.

State aid forecasts will be based upon an ADA of 35,249 with minor changes to students in special populations.

Since there are new revenues, some cost considerations included in the draft budget are as follow:

- Staffing additions to accommodate student growth
- Increase in budget allocations for campuses (for student growth)
- 2% pay raises
- Continuation of cost-effective practices (i.e. energy management)
- Continuation of funding for major maintenance

Budget Preparation Process

Enrollment trends, staffing formulas, taxable values, and academic programs/classes offered drive the core of the “earned” revenues and “necessary” expenditures included in the general fund budget.
Budget Preparation Process (continued)

Other sources of information for inclusion in the general fund budget include students, parents, community, teachers and other staff, administrators, and the Board.

State Funding Information

The Texas Education Agency passes foundation school program (FSP) revenues are transferred to school districts based on their payment class under Section 42.259 of the Texas Education Code. For 2015/2016, Leander ISD has been selected for payment class three. Payment class three allows for FSP funds to be transferred as follow during the fiscal year:

- September, 2015  55.0% of Annual Entitlement
- October, 2015   25.0% of Annual Entitlement
- August, 2016    20.0% of Annual Entitlement

The TEA passes available school fund (ASF) payments monthly on an ADA basis.

Aggregate Budget

The draft budget has been prepared based on the following key factors:

- 35,249 ADA
- 7.34% tax base growth (net after $25,000 homestead exemption)
- Funding from House Bills 1 & 7 from 84\textsuperscript{th} Legislative Session
- 96% attendance rate

We feel that adequate resources have been allocated to meet student and staff needs, and the resulting fund balance exceeds Board policy.

Goals and Objectives

The District currently has a fund balance reserve policy that requires a minimum of two months of operating funds in reserve. The goal is to have available three months of operating fund reserves.

The expenditures included in the budget are needed to implement the strategies and goals identified in each campus improvement plan, as well as the District improvement plan.
Leander Independent School District
Analysis of Revenues and Expenditures
Summary of General Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5700 Local Revenues</td>
<td>$140,932,002</td>
<td>$146,604,024</td>
<td>$158,651,279</td>
<td>$175,346,562</td>
<td>$186,213,487</td>
<td>$199,733,765</td>
<td>$209,304,819</td>
<td>$217,500,768</td>
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<tr>
<td>5800 State Revenues</td>
<td>98,316,186</td>
<td>96,912,365</td>
<td>99,630,864</td>
<td>96,342,339</td>
<td>91,778,173</td>
<td>80,891,667</td>
<td>82,674,150</td>
<td>81,740,251</td>
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<tr>
<td>5900 Federal Revenues</td>
<td>1,268,629</td>
<td>2,928,510</td>
<td>2,871,147</td>
<td>2,730,000</td>
<td>2,730,000</td>
<td>4,115,000</td>
<td>3,115,000</td>
<td>2,115,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>240,516,817</td>
<td>246,444,899</td>
<td>261,153,290</td>
<td>274,418,901</td>
<td>280,721,660</td>
<td>284,740,432</td>
<td>295,093,969</td>
<td>301,356,019</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6200 Contracted Services</td>
<td>18,933,881</td>
<td>18,762,869</td>
<td>18,359,606</td>
<td>23,659,685</td>
<td>29,230,556</td>
<td>30,793,930</td>
<td>29,519,367</td>
<td>29,015,060</td>
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<tr>
<td>6300 Supplies and Materials</td>
<td>8,134,791</td>
<td>9,384,378</td>
<td>9,645,489</td>
<td>13,363,478</td>
<td>12,318,913</td>
<td>12,933,451</td>
<td>12,538,240</td>
<td>12,621,398</td>
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<tr>
<td>6400 Other Operating Costs</td>
<td>3,084,434</td>
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<td>2,794,782</td>
<td>3,177,699</td>
<td>3,155,718</td>
<td>3,387,332</td>
<td>2,717,017</td>
<td>2,912,630</td>
</tr>
<tr>
<td>6600 Capital Outlay</td>
<td>771,474</td>
<td>826,684</td>
<td>2,066,136</td>
<td>1,434,674</td>
<td>705,505</td>
<td>687,197</td>
<td>625,783</td>
<td>647,251</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>224,273,109</td>
<td>239,076,788</td>
<td>247,201,839</td>
<td>270,878,066</td>
<td>294,099,894</td>
<td>307,993,303</td>
<td>312,890,770</td>
<td>323,625,591</td>
</tr>
<tr>
<td><strong>Other Resources (Uses)</strong></td>
<td>(3,578,943)</td>
<td>(3,637,501)</td>
<td>(3,849,870)</td>
<td>(3,064,145)</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Fund Balance-Beginning (as re-stated)</td>
<td>79,128,130</td>
<td>91,792,894</td>
<td>97,523,504</td>
<td>107,625,085</td>
<td>108,101,775</td>
<td>94,738,541</td>
<td>71,554,670</td>
<td>53,772,869</td>
</tr>
<tr>
<td>Fund Balance-Ending-Projected</td>
<td>$91,792,894</td>
<td>$95,523,504</td>
<td>* $107,625,085</td>
<td>$108,101,775</td>
<td>$94,738,541</td>
<td>$71,554,670</td>
<td>$53,772,869</td>
<td>$31,518,297</td>
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</tbody>
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* Difference due to a prior period adjustment related to the close out of the payroll liability for $2 million.
## Five Year Historical Trend of Revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Revenue</th>
<th>State Revenue</th>
<th>Federal Revenue</th>
<th>Total Revenue</th>
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</thead>
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<td>2010</td>
<td>$140,061,552</td>
<td>$87,710,102</td>
<td>$491,848</td>
<td>$228,263,502</td>
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<tr>
<td>2011</td>
<td>$137,705,909</td>
<td>$103,715,850</td>
<td>$925,567</td>
<td>$242,347,326</td>
</tr>
<tr>
<td>2012</td>
<td>$140,932,002</td>
<td>$98,316,186</td>
<td>$1,268,629</td>
<td>$240,516,817</td>
</tr>
<tr>
<td>2013</td>
<td>$146,604,024</td>
<td>$96,912,365</td>
<td>$2,928,510</td>
<td>$246,444,899</td>
</tr>
<tr>
<td>2014</td>
<td>$158,651,279</td>
<td>$99,630,864</td>
<td>$2,871,147</td>
<td>$261,153,290</td>
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</table>

### Revenues

<table>
<thead>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Tax collections</td>
<td>$133,526,013</td>
<td>$136,076,879</td>
<td>$141,988,308</td>
<td>$153,483,065</td>
<td>$171,421,006</td>
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<td>WADA sold</td>
<td>22,500</td>
<td>7,500</td>
<td>7,500</td>
<td>7,500</td>
<td>5,000</td>
</tr>
<tr>
<td>Student transfer fee</td>
<td>-</td>
<td>46,617</td>
<td>41,005</td>
<td>42,059</td>
<td>20,000</td>
</tr>
<tr>
<td>Refrigerator fee</td>
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<td>38,310</td>
<td>40,375</td>
<td>38,600</td>
<td>30,000</td>
</tr>
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<td>Tuition &amp; fees</td>
<td>1,919,958</td>
<td>1,896,711</td>
<td>1,462,438</td>
<td>1,629,636</td>
<td>1,261,000</td>
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<tr>
<td>Investment earnings</td>
<td>307,911</td>
<td>425,350</td>
<td>437,578</td>
<td>509,415</td>
<td>308,000</td>
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<tr>
<td>Rent</td>
<td>689,639</td>
<td>1,016,591</td>
<td>1,033,742</td>
<td>1,110,803</td>
<td>750,000</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>-</td>
<td>3,450</td>
<td>3,629</td>
<td>-</td>
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<td>Local miscellaneous</td>
<td>492,592</td>
<td>622,132</td>
<td>435,791</td>
<td>679,576</td>
<td>705,000</td>
</tr>
<tr>
<td>ROTC funding</td>
<td>131,601</td>
<td>117,884</td>
<td>138,102</td>
<td>127,898</td>
<td>110,000</td>
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<tr>
<td>School health &amp; related services</td>
<td>700,910</td>
<td>1,047,162</td>
<td>2,697,021</td>
<td>2,640,507</td>
<td>2,115,000</td>
</tr>
<tr>
<td>Other federal funding</td>
<td>55,767</td>
<td>59,895</td>
<td>56,088</td>
<td>57,740</td>
<td>-</td>
</tr>
<tr>
<td>National school lunch program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>400,000</td>
</tr>
<tr>
<td>Foundation school program</td>
<td>93,196,361</td>
<td>88,519,416</td>
<td>87,262,175</td>
<td>89,152,470</td>
<td>84,909,873</td>
</tr>
<tr>
<td>Miscellaneous state revenue</td>
<td>29,244</td>
<td>-</td>
<td>-</td>
<td>29,572</td>
<td>32,466</td>
</tr>
<tr>
<td>Teacher retirement on-behalf</td>
<td>10,490,245</td>
<td>9,796,770</td>
<td>9,650,190</td>
<td>10,448,822</td>
<td>11,400,000</td>
</tr>
<tr>
<td>Funds from state agencies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Local Revenues</td>
<td>137,705,909</td>
<td>140,932,002</td>
<td>146,604,024</td>
<td>158,651,279</td>
<td>175,346,562</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital &amp; special ed. admin.</td>
<td>1,671,129</td>
<td>1,693,860</td>
<td>1,865,468</td>
<td>1,990,191</td>
<td>2,372,727</td>
</tr>
<tr>
<td>Campus &amp; PEIMS administration</td>
<td>12,884,642</td>
<td>13,224,648</td>
<td>14,026,872</td>
<td>14,179,714</td>
<td>15,983,862</td>
</tr>
<tr>
<td>Counseling, testing, &amp; assessment</td>
<td>9,817,247</td>
<td>9,527,550</td>
<td>10,122,960</td>
<td>10,287,976</td>
<td>10,661,738</td>
</tr>
<tr>
<td>Social work services</td>
<td>414,698</td>
<td>715,047</td>
<td>730,002</td>
<td>928,943</td>
<td>932,920</td>
</tr>
<tr>
<td>Health and nursing services</td>
<td>1,794,890</td>
<td>1,760,178</td>
<td>1,821,873</td>
<td>1,897,295</td>
<td>2,158,375</td>
</tr>
<tr>
<td>Student transportation</td>
<td>8,639,760</td>
<td>8,516,249</td>
<td>8,436,382</td>
<td>10,049,367</td>
<td>8,592,654</td>
</tr>
<tr>
<td>Food services</td>
<td>25,010</td>
<td>3,649</td>
<td>14,001</td>
<td>533,271</td>
<td></td>
</tr>
<tr>
<td>UIL academic &amp; athletic activities</td>
<td>6,904,997</td>
<td>6,712,870</td>
<td>7,197,987</td>
<td>7,313,858</td>
<td>7,793,477</td>
</tr>
<tr>
<td>General administration</td>
<td>4,808,603</td>
<td>4,471,566</td>
<td>4,644,047</td>
<td>4,810,206</td>
<td>5,184,312</td>
</tr>
<tr>
<td>Plant maintenance &amp; operations</td>
<td>22,395,453</td>
<td>25,194,899</td>
<td>25,119,850</td>
<td>25,255,584</td>
<td>31,582,156</td>
</tr>
<tr>
<td>IT department &amp; PEIMS coordinator</td>
<td>7,185,177</td>
<td>6,270,460</td>
<td>6,136,418</td>
<td>6,229,171</td>
<td>8,009,807</td>
</tr>
<tr>
<td>Community services</td>
<td>1,619,223</td>
<td>1,803,302</td>
<td>1,906,855</td>
<td>1,951,938</td>
<td>1,830,088</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Instructional svcs between schools</td>
<td>175,932</td>
<td>191,737</td>
<td>106,180</td>
<td>96,165</td>
<td>-</td>
</tr>
<tr>
<td>Payments to JAEP</td>
<td>231,082</td>
<td>222,522</td>
<td>211,272</td>
<td>193,411</td>
<td>330,625</td>
</tr>
<tr>
<td>Other intergovernmental charges</td>
<td>1,328,932</td>
<td>1,311,959</td>
<td>1,356,932</td>
<td>1,419,240</td>
<td>1,675,763</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>229,813,864</td>
<td>224,273,109</td>
<td>239,076,788</td>
<td>247,201,839</td>
<td>270,878,066</td>
</tr>
</tbody>
</table>

### Excess Revenues Over Expenditures

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Revenues</td>
<td>11,233,442</td>
<td>16,243,708</td>
<td>7,368,111</td>
<td>13,951,451</td>
<td>3,540,835</td>
</tr>
</tbody>
</table>

### Other Resources (Uses)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(2,360,425)</td>
<td>(3,578,943)</td>
<td>(3,637,501)</td>
<td>(3,849,870)</td>
<td>(3,064,145)</td>
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</tr>
</tbody>
</table>

### Fund Balance-Beginning (as re-stated)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>68,955,113</td>
<td>79,128,130</td>
<td>91,792,894</td>
<td>91,792,894</td>
<td>97,523,504</td>
<td>107,625,085</td>
</tr>
</tbody>
</table>

### Fund Balance-Ending-Projected

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$79,128,130</td>
<td>$91,792,894</td>
<td>$95,523,504</td>
<td>$107,625,085</td>
<td>$108,101,775</td>
<td></td>
</tr>
</tbody>
</table>

* Difference due to a prior period adjustment related to the close out of the payroll liability for $2 million.
### Revenues by Object Level

**General Fund**

<table>
<thead>
<tr>
<th>Object Level</th>
<th>Object Level Description</th>
<th>2015/2016 Budget</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5700</td>
<td>Local Revenues</td>
<td>$186,213,487</td>
<td>66.33%</td>
</tr>
<tr>
<td>5800</td>
<td>State Revenues</td>
<td>91,778,173</td>
<td>32.69%</td>
</tr>
<tr>
<td>5900</td>
<td>Federal Revenues</td>
<td>2,730,000</td>
<td>0.97%</td>
</tr>
<tr>
<td>7900</td>
<td>Other Sources</td>
<td>15,000</td>
<td>0.01%</td>
</tr>
</tbody>
</table>

#### Revenues by Object Level

- Local Revenues
- State Revenues
- Federal Revenues
- Other Sources
## Expenditures by Function Level

### General Fund

<table>
<thead>
<tr>
<th>Function Level</th>
<th>Function Level Description</th>
<th>2015/2016 Budget</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Instruction</td>
<td>$174,220,469</td>
<td>59.24%</td>
</tr>
<tr>
<td>12</td>
<td>Instructional Resources/Media</td>
<td>3,351,500</td>
<td>1.14%</td>
</tr>
<tr>
<td>13</td>
<td>Curriculum/Staff Development</td>
<td>8,235,475</td>
<td>2.80%</td>
</tr>
<tr>
<td>21</td>
<td>Instructional Leadership</td>
<td>2,481,930</td>
<td>0.84%</td>
</tr>
<tr>
<td>23</td>
<td>School Leadership</td>
<td>16,983,201</td>
<td>5.77%</td>
</tr>
<tr>
<td>31</td>
<td>Guidance Counseling and Assessment</td>
<td>11,822,758</td>
<td>4.02%</td>
</tr>
<tr>
<td>32</td>
<td>Social Work/Truancy</td>
<td>936,340</td>
<td>0.32%</td>
</tr>
<tr>
<td>33</td>
<td>Health Services</td>
<td>2,467,780</td>
<td>0.84%</td>
</tr>
<tr>
<td>34</td>
<td>Student Transportation</td>
<td>8,817,639</td>
<td>3.00%</td>
</tr>
<tr>
<td>35</td>
<td>Food Services</td>
<td>3,900</td>
<td>0.00%</td>
</tr>
<tr>
<td>36</td>
<td>Extracurricular Activities</td>
<td>8,088,141</td>
<td>2.75%</td>
</tr>
<tr>
<td>41</td>
<td>General Administration</td>
<td>5,828,749</td>
<td>1.98%</td>
</tr>
<tr>
<td>51</td>
<td>Plant Maintenance</td>
<td>37,298,409</td>
<td>12.68%</td>
</tr>
<tr>
<td>52</td>
<td>Security &amp; Monitoring</td>
<td>1,357,558</td>
<td>0.46%</td>
</tr>
<tr>
<td>53</td>
<td>Data Processing</td>
<td>8,328,603</td>
<td>2.83%</td>
</tr>
<tr>
<td>61</td>
<td>Community Services</td>
<td>1,783,163</td>
<td>0.61%</td>
</tr>
<tr>
<td>95</td>
<td>JJAEP (Juvenile Justice)</td>
<td>330,625</td>
<td>0.11%</td>
</tr>
<tr>
<td>99</td>
<td>Other Intergovernmental Charges</td>
<td>1,763,654</td>
<td>0.60%</td>
</tr>
</tbody>
</table>

### Expenditures by Function Level

- Instruction
- Instructional Resources/Media
- Curriculum/Staff Development
- Instructional Leadership
- School Leadership
- Guidance Counseling and Assessment
- Social Work/Truancy
- Health Services
- Student Transportation
- Food Services
- Extracurricular Activities
- General Administration
- Plant Maintenance
- Security & Monitoring
- Data Processing
- Community Services
- JJAEP (Juvenile Justice)
- Other Intergovernmental Charges
<table>
<thead>
<tr>
<th>Object Level</th>
<th>Object Level Description</th>
<th>2015/2016 Budget</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100</td>
<td>Payroll Costs</td>
<td>$ 248,689,202</td>
<td>84.56%</td>
</tr>
<tr>
<td>6200</td>
<td>Contracted Services</td>
<td>29,230,556</td>
<td>9.94%</td>
</tr>
<tr>
<td>6300</td>
<td>Supplies and Materials</td>
<td>12,318,913</td>
<td>4.19%</td>
</tr>
<tr>
<td>6400</td>
<td>Other Operating Costs</td>
<td>3,155,718</td>
<td>1.07%</td>
</tr>
<tr>
<td>6600</td>
<td>Capital Outlay</td>
<td>705,505</td>
<td>0.24%</td>
</tr>
</tbody>
</table>

Expenditures by Object Level

- Payroll Costs
- Contracted Services
- Supplies and Materials
- Other Operating Costs
- Capital Outlay
### Historical Fund Balance Analysis
#### General Fund

<table>
<thead>
<tr>
<th>Audit Year</th>
<th>Enrollment</th>
<th>Ending Fund Balance</th>
<th>General Fund Expenditures and Other Uses</th>
<th>Months of Fund Balance</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>19,877</td>
<td>$45,568,993</td>
<td>$123,087,000</td>
<td>4.44</td>
<td>$5,747,401</td>
</tr>
<tr>
<td>2005-2006</td>
<td>21,985</td>
<td>$51,752,208</td>
<td>$140,514,090</td>
<td>4.42</td>
<td>$6,183,215</td>
</tr>
<tr>
<td>2006-2007</td>
<td>24,230</td>
<td>$63,265,729</td>
<td>$167,516,539</td>
<td>4.53</td>
<td>$11,513,521</td>
</tr>
<tr>
<td>2007-2008</td>
<td>26,443</td>
<td>$63,885,451</td>
<td>$197,457,942</td>
<td>3.88</td>
<td>$619,722</td>
</tr>
<tr>
<td>2009-2010</td>
<td>30,321</td>
<td>$68,955,113</td>
<td>$225,528,735</td>
<td>3.67</td>
<td>$8,238,395</td>
</tr>
<tr>
<td>2011-2012</td>
<td>33,179</td>
<td>$91,792,894</td>
<td>$227,877,596</td>
<td>4.83</td>
<td>$12,664,765</td>
</tr>
<tr>
<td>2012-2013</td>
<td>34,265</td>
<td>$95,523,504</td>
<td>$235,394,249</td>
<td>4.87</td>
<td>$3,730,610</td>
</tr>
</tbody>
</table>

* Net change for 2013-2014 reflects a $2 million prior period adjustment related to the payroll liability close out.

![Ending Fund Balance by School Year](image-url)
Impact of Capital Improvements on Operating Budget

During a fiscal year, capital assets will need improvement or replacement. Some of which is planned (and budgeted) and some that is not. The recommended classes for accounting and statement presentation purposes are:

- **Land** recorded asset cost should include, in addition to the purchase price, such ancillary costs as legal and title fees, surveying fees, appraisal and negotiation fees, damage payments, site preparation costs (clearing, filling, and leveling) and demolition of unwanted structures.

- **Land improvements** consist of betterments, other than buildings, that prepare land for its intended use. Examples include site improvements such as excavation, fill grading and utility installation; removal, relocation or reconstruction of property of others, such as railroads and telephone and power lines, retaining walls, parking lots, fencing and landscaping.

- **Costs of building and improvements** include purchase price, contract price, professional fees of architects, attorneys, appraisers, financial advisors, etc.; damage claims; cost of fixtures attached to a building or other structure; construction insurance premiums, interest, and related costs incurred during the period of construction; and any other expenditures necessary to put a building or structure into its intended state of operation.

- **Construction work in progress** represents a temporary capitalization of labor, materials, equipment, and overhead costs of a construction project. Upon completion such costs should be cleared or moved by transfer of the capitalized costs to one or more of the other classes of assets.

- **Furniture and equipment** should include the total purchase price, before any trade-in allowance, and minus any discounts. Other costs which should be capitalized as equipment include transportation charges, installation costs, taxes or any other expenditure required to place the asset in its intended state of operation. If library books are considered to have a useful life of greater than one year, they are capital assets and are depreciable. Because most library collections consist of a large number of books with modest values, group or composite depreciation methods may be appropriate.
- **Infrastructure assets** are defined as long lived capital assets that are normally stationary in nature and which can normally be maintained for a significantly greater number of years than most capital assets. Infrastructure assets include roads, water and sewer systems, bridges, dams, tunnels, and lighting systems.

For 2015/2016, the general fund budget includes routine furniture and equipment allocations. If any material capital asset purchases or improvements are necessary, fund reserves in capital projects fund may be utilized or general fund reserves.

LISD maintains a ten-year major maintenance plan, which is funded by a percentage of general fund revenue approved by the Board annually. The plan is reviewed and updated annually to address facility replacement and maintenance needs, including details on replacement schedules, life span, etc. You can find Leander ISD’s major maintenance plan on our website, which details the plan budget and projected completion dates.
LEANDER ISD

FOOD SERVICE INFORMATION
Food Service Fund Overview

Budget Preparation Process

Student participation rates, enrollment projections, estimated number of free and reduced students, and lunch schedules are some of the most significant factors used in preparing cost allocations.

The food service fund budget does not include a charge for unrestricted indirect costs; however, any surplus funds may be recouped by the general fund if deemed appropriate.

Goals and Objectives

The food service department’s primary goal is continuous encouragement of healthy lifestyle choices by our students and to provide an inviting atmosphere for our ‘customers’.

Some of the objectives of the food service department include:

- Staffing the cafeterias with an effective, efficient, and friendly staff – the director closely monitor meals per labor hour and recommend staffing changes when needed to efficiently operate all district cafeterias.

- Compliance with the Texas Education Agency’s Financial Accounting and Resource Guide rules regarding the fund balance reserve policy – reserves not exceeding three months of operating expenditures.

- Close monitoring of commodities received, freezer capacity, and properly planned orders of food and non-food items.

- Continue encouraging student meal participation in the program in order to “set the learning environment stage” for students to be academically successful.

The expenditures included in the budget are needed to implement the strategy and goals identified above as well as those listed in the district improvement plan.
# Leander Independent School District  
Analysis of Revenues and Expenditures  
Summary of Food Service Fund  

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5700 Local Revenues</td>
<td>7,733,083</td>
<td>7,412,578</td>
<td>8,409,248</td>
<td>8,318,533</td>
<td>8,377,313</td>
<td>8,544,859</td>
<td>8,715,756</td>
<td>8,890,072</td>
</tr>
<tr>
<td>5800 State Revenues</td>
<td>220,870</td>
<td>365,176</td>
<td>291,514</td>
<td>72,000</td>
<td>72,000</td>
<td>73,440</td>
<td>74,909</td>
<td>76,407</td>
</tr>
<tr>
<td>5900 Federal Revenues</td>
<td>4,785,170</td>
<td>4,490,477</td>
<td>4,786,220</td>
<td>4,311,746</td>
<td>4,827,282</td>
<td>4,923,828</td>
<td>5,022,304</td>
<td>5,122,750</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>12,739,123</td>
<td>12,268,231</td>
<td>13,486,982</td>
<td>12,702,279</td>
<td>13,276,595</td>
<td>13,542,127</td>
<td>13,812,969</td>
<td>14,089,229</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6100 Payroll Costs</td>
<td>4,873,531</td>
<td>5,060,198</td>
<td>5,151,893</td>
<td>4,804,786</td>
<td>4,996,834</td>
<td>5,149,576</td>
<td>5,252,567</td>
<td>5,357,619</td>
</tr>
<tr>
<td>6200 Contracted Services</td>
<td>8,080,365</td>
<td>6,542,103</td>
<td>6,988,506</td>
<td>8,036,147</td>
<td>7,800,588</td>
<td>8,039,034</td>
<td>8,199,815</td>
<td>8,363,811</td>
</tr>
<tr>
<td>6300 Supplies and Materials</td>
<td>834,759</td>
<td>536,318</td>
<td>1,162,587</td>
<td>232,073</td>
<td>315,531</td>
<td>325,176</td>
<td>331,680</td>
<td>338,313</td>
</tr>
<tr>
<td>6400 Other Operating Costs</td>
<td>161,822</td>
<td>192,147</td>
<td>78,005</td>
<td>14,150</td>
<td>27,500</td>
<td>28,341</td>
<td>28,907</td>
<td>29,486</td>
</tr>
<tr>
<td>6600 Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>13,950,477</td>
<td>12,330,766</td>
<td>13,380,990</td>
<td>13,087,156</td>
<td>13,140,453</td>
<td>13,542,127</td>
<td>13,812,969</td>
<td>14,089,229</td>
</tr>
<tr>
<td><strong>Excess Revenues Over Expenditures</strong></td>
<td>(1,211,354)</td>
<td>(62,535)</td>
<td>105,992</td>
<td>(384,877)</td>
<td>136,142</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Resources (Uses)</strong></td>
<td>1,632</td>
<td>776</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance-Beginning (as re-stated)</strong></td>
<td>3,568,064</td>
<td>2,358,342</td>
<td>2,296,583</td>
<td>2,402,575</td>
<td>2,017,698</td>
<td>2,153,840</td>
<td>2,153,840</td>
<td>2,153,840</td>
</tr>
<tr>
<td><strong>Fund Balance-Ending-Projected</strong></td>
<td>2,358,342</td>
<td>2,296,583</td>
<td>2,402,575</td>
<td>2,017,698</td>
<td>2,153,840</td>
<td>2,153,840</td>
<td>2,153,840</td>
<td>2,153,840</td>
</tr>
</tbody>
</table>
### Five Year Analysis of Revenues and Expenditures

#### Food Service Fund

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5742 Investment earnings</td>
<td>$7,951</td>
<td>$7,397</td>
<td>$1,425</td>
<td>$1,662</td>
<td>$-</td>
</tr>
<tr>
<td>5743 Rent</td>
<td>888</td>
<td>1,926</td>
<td>2,298</td>
<td>1,875</td>
<td>$-</td>
</tr>
<tr>
<td>5749 Local miscellaneous</td>
<td>-</td>
<td>-</td>
<td>66,554</td>
<td>113,863</td>
<td>-</td>
</tr>
<tr>
<td>5751 Local food service receipts</td>
<td>7,909,788</td>
<td>7,723,761</td>
<td>7,342,302</td>
<td>8,291,848</td>
<td>8,318,533</td>
</tr>
<tr>
<td>5769 Other miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Local Revenues</strong></td>
<td>7,918,627</td>
<td>7,733,083</td>
<td>7,412,579</td>
<td>8,409,248</td>
<td>8,318,533</td>
</tr>
<tr>
<td>5829 Miscellaneous state revenue</td>
<td>71,801</td>
<td>-</td>
<td>153,247</td>
<td>71,272</td>
<td>72,000</td>
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<tr>
<td>5831 Teacher retirement on-behalf</td>
<td>228,982</td>
<td>220,870</td>
<td>211,929</td>
<td>220,242</td>
<td>-</td>
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<tr>
<td><strong>Total State Revenues</strong></td>
<td>300,783</td>
<td>220,870</td>
<td>365,176</td>
<td>291,514</td>
<td>72,000</td>
</tr>
<tr>
<td>5921 School breakfast revenue</td>
<td>707,163</td>
<td>758,999</td>
<td>702,828</td>
<td>678,137</td>
<td>867,276</td>
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<tr>
<td>5922 School lunch revenue</td>
<td>3,177,880</td>
<td>3,266,392</td>
<td>3,375,384</td>
<td>3,277,696</td>
<td>3,444,470</td>
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<tr>
<td>5923 USDA donated commodities</td>
<td>717,726</td>
<td>759,780</td>
<td>412,265</td>
<td>830,386</td>
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<tr>
<td><strong>Total Federal Revenues</strong></td>
<td>4,602,769</td>
<td>4,785,170</td>
<td>4,490,477</td>
<td>4,786,220</td>
<td>4,311,746</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>12,822,179</td>
<td>12,739,123</td>
<td>12,268,231</td>
<td>13,486,982</td>
<td>12,702,279</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35 Food services</td>
<td>13,034,151</td>
<td>13,950,477</td>
<td>12,330,766</td>
<td>13,380,990</td>
<td>13,087,156</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>13,034,151</td>
<td>13,950,477</td>
<td>12,330,766</td>
<td>13,380,990</td>
<td>13,087,156</td>
</tr>
</tbody>
</table>

| Excess Revenues Over Expenditures   | (211,972)| (1,211,354)| (62,535)  | 105,992   | (384,877) |

| Other Resources (Uses)              | -        | 1,632     | 776       | -         | -         |

| Fund Balance-Beginning              | 3,780,036| 3,568,064 | 2,358,342 | 2,296,583 | 2,402,575 |
| Fund Balance-Ending-Projected       | $3,568,064| $2,358,342| $2,296,583| $2,402,575| $2,017,698|
### Revenues by Object Level

#### Food Service Fund

<table>
<thead>
<tr>
<th>Object Level</th>
<th>Object Level Description</th>
<th>2015/2016 Budget</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>5700</td>
<td>Local Revenues</td>
<td>$8,377,313</td>
<td>63.10%</td>
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<tr>
<td>5800</td>
<td>State Revenues</td>
<td>$72,000</td>
<td>0.54%</td>
</tr>
<tr>
<td>5900</td>
<td>Federal Revenues</td>
<td>$4,827,282</td>
<td>36.36%</td>
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## Expenditures by Object Level

### Food Service Fund

<table>
<thead>
<tr>
<th>Object Level</th>
<th>Object Level Description</th>
<th>2015/2016 Budget</th>
<th>Percentage of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>6100</td>
<td>Payroll Costs</td>
<td>$4,996,834</td>
<td>44.67%</td>
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<tr>
<td>6200</td>
<td>Contracted Services</td>
<td>7,800,588</td>
<td>1.73%</td>
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<tr>
<td>6300</td>
<td>Supplies and Materials</td>
<td>315,531</td>
<td>53.49%</td>
</tr>
<tr>
<td>6400</td>
<td>Other Operating Costs</td>
<td>27,500</td>
<td>0.11%</td>
</tr>
<tr>
<td>6600</td>
<td>Capital Outlay</td>
<td>-</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Expenditures by Object Level

- Payroll Costs
- Contracted Services
- Supplies and Materials
- Other Operating Costs
- Capital Outlay
### Historical Fund Balance Analysis

#### Food Service Fund

<table>
<thead>
<tr>
<th>Audit Year</th>
<th>Enrollment</th>
<th>Ending Fund Balance</th>
<th>Food Service Expenditures</th>
<th>Months of Fund Balance</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>19,877</td>
<td>$1,180,744</td>
<td>$6,884,884</td>
<td>2.06</td>
<td>$39,040</td>
</tr>
<tr>
<td>2005-2006</td>
<td>21,985</td>
<td>$2,062,557</td>
<td>$7,594,510</td>
<td>3.26</td>
<td>$881,813</td>
</tr>
<tr>
<td>2006-2007</td>
<td>24,230</td>
<td>$2,943,725</td>
<td>$8,010,208</td>
<td>4.41</td>
<td>$881,168</td>
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<tr>
<td>2007-2008</td>
<td>26,443</td>
<td>$3,362,987</td>
<td>$9,665,624</td>
<td>4.18</td>
<td>$419,262</td>
</tr>
<tr>
<td>2008-2009</td>
<td>28,364</td>
<td>$3,554,979</td>
<td>$10,738,092</td>
<td>3.97</td>
<td>$191,992</td>
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<tr>
<td>2009-2010</td>
<td>30,321</td>
<td>$3,780,036</td>
<td>$11,607,129</td>
<td>3.91</td>
<td>$225,057</td>
</tr>
<tr>
<td>2010-2011</td>
<td>32,034</td>
<td>$3,568,064</td>
<td>$13,034,151</td>
<td>3.28</td>
<td>$(211,972)</td>
</tr>
<tr>
<td>2011-2012</td>
<td>33,179</td>
<td>$2,358,342</td>
<td>$13,950,477</td>
<td>2.03</td>
<td>$(1,209,722)</td>
</tr>
<tr>
<td>2012-2013</td>
<td>34,265</td>
<td>$2,296,583</td>
<td>$12,330,766</td>
<td>2.23</td>
<td>$(61,759)</td>
</tr>
<tr>
<td>2013-2014</td>
<td>35,355</td>
<td>$2,402,575</td>
<td>$13,380,990</td>
<td>2.15</td>
<td>$105,992</td>
</tr>
</tbody>
</table>

#### Ending Fund Balance by School Year

- **School Year**
  - 2004-2005
  - 2005-2006
  - 2006-2007
  - 2007-2008
  - 2008-2009
  - 2009-2010
  - 2010-2011
  - 2011-2012
  - 2012-2013
  - 2013-2014
Impact of Capital Improvements on Operating Budget

During a fiscal year, capital assets will need improvement or replacement. Some of which is planned (and budgeted) and some that is not. The recommended classes for accounting and statement presentation purposes are:

- **Land** recorded asset cost should include, in addition to the purchase price, such ancillary costs as legal and title fees, surveying fees, appraisal and negotiation fees, damage payments, site preparation costs (clearing, filling, and leveling) and demolition of unwanted structures.

- **Land improvements** consist of betterments, other than buildings, that prepare land for its intended use. Examples include site improvements such as excavation, fill grading and utility installation; removal, relocation or reconstruction of property of others, such as railroads and telephone and power lines, retaining walls, parking lots, fencing and landscaping.

- **Costs of building and improvements** include purchase price, contract price, professional fees of architects, attorneys, appraisers, financial advisors, etc.; damage claims; cost of fixtures attached to a building or other structure; construction insurance premiums, interest, and related costs incurred during the period of construction; and any other expenditures necessary to put a building or structure into its intended state of operation.

- **Construction work in progress** represents a temporary capitalization of labor, materials, equipment, and overhead costs of a construction project. Upon completion such costs should be cleared or moved by transfer of the capitalized costs to one or more of the other classes of assets.

- **Furniture and equipment** should include the total purchase price, before any trade-in allowance, and minus any discounts. Other costs which should be capitalized as equipment include transportation charges, installation costs, taxes or any other expenditure required to place the asset in its intended state of operation. If library books are considered to have a useful life of greater than one year, they are capital assets and are depreciable. Because most library collections consist of a large number of books with modest values, group or composite depreciation methods may be appropriate.
• *Infrastructure assets* are defined as long lived capital assets that are normally stationary in nature and which can normally be maintained for a significantly greater number of years than most capital assets. Infrastructure assets include roads, water and sewer systems, bridges, dams, tunnels, and lighting systems.

For 2015/2016, the general fund budget includes routine furniture and equipment allocations. If any material capital asset purchases or improvements are necessary, fund reserves in the food service fund will be utilized.

LISD maintains a ten-year major maintenance plan, which is funded by a percentage of general fund revenue approved by the Board annually. The plan is reviewed and updated annually to address facility replacement and maintenance needs, including details on replacement schedules, life span, etc. You can find Leander ISD’s [major maintenance plan](#) on our website, which details the plan budget and projected completion dates.
LEANDER ISD

DEBT SERVICE INFORMATION
Debt Service Fund Overview

Debt Service Fund Information

The Debt Service Fund accounts for payments of principal, interest, and related fees on the District’s general obligation bonds. Under Texas law, only these debt service payments can be accounted for in this fund.

The Texas Education Code Section 45.003(e) specifies that a school district is able to issue unlimited tax bonds, provided that the district demonstrates its projected ability to pay such bonds plus the District’s outstanding bonds (excluding bonds authorized by an election held on or before April 1, 1992 and issued before September 1, 1992) at a debt service rate of not more than $0.50 per $100 of assessed valuation without the pledging of Tier I funds first.

Current debt levels are approaching legal debt limits, from a new money perspective only, as there is technically no debt limits as general obligation bonds are sold with an unlimited tax status.

Budget Preparation Process

The taxable values, tax collection rate, estimated penalties and interest collected, Existing Debt Allotment (EDA) [hold harmless state aid to offset additional homestead exemption], debt repayment schedule, estimated interest earnings, bond fees, and arbitrage fees are the core of the revenues and expenditures that are reviewed annually when determining the proposed tax rate and budget.

Other sources of information for inclusion in the debt service fund budget include the financial advisor, bond counsel, and the board of trustees.

Existing debt levels on current and future budgets hinge on a number of variables. For example, tax base growth, opportunities for refunding, etc., will drive the actual resources needed to fund annual debt obligations.
General Obligation Bonds

The primary type of bond debt instrument is the General Obligation Bond. This debt instrument requires voter approval.

The following information depicts bonded debt facts of LISD as of August 20, 2015:

<table>
<thead>
<tr>
<th>Outstanding Bonded Debt</th>
<th>$1,072,980,342</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying Bond Rating</td>
<td>AA- (Stable Outlook) S&amp;P</td>
</tr>
</tbody>
</table>

Goals and Objectives

The following goals and objectives are key components which drive our debt service fund budget:

- Maintain fund reserves of at least 20 percent of the next fiscal year’s requirement.
- Achieve a reserve fund of 30 percent of the next fiscal year’s requirement.
- Limit the term of the bonds.
- When feasible, retire debt early.
- Limit issuance of CABs.
- Refinance when possible for savings.
- Lower the overall cost of borrowing.
- Term of the bonds should match asset life.

The expenditures included in the budget are needed to subsidize future bond principal and interest payments along with related fees. For budget purposes only, an over-levy has been included as an expenditure.
Leander ISD - General Obligation
Total Debt Service

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>CAB Interest</th>
<th>Total Debt Service</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/15/15</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/16</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/17</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/18</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/19</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/20</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/21</td>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/22</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/23</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/25</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
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<tr>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
<tr>
<td>02/15/27</td>
<td>$62,032,060.40</td>
<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
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<td>$136,394,787.75</td>
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<tr>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
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<td>$136,394,787.75</td>
</tr>
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<td>02/15/29</td>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
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<td>$136,394,787.75</td>
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<tr>
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<td>$34,424,963.00</td>
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<td>$34,424,963.00</td>
<td>$27,727,133.60</td>
<td>$124,184,157.00</td>
<td>$136,394,787.75</td>
</tr>
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</table>

Public Financial Management, Inc.
## Leander ISD - General Obligation
### Total Debt Service

#### Dated Date: 10/22/2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>CAB Interest</th>
<th>Total Debt Service</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/15/36</td>
<td>14,615,839.60</td>
<td>42,603,359.00</td>
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<td>5,244,875.00</td>
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<tr>
<td>08/15/37</td>
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<td>96,074,875.00</td>
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<td>4,406,500.00</td>
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<td>3,336,750.00</td>
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<td>119,375.00</td>
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<td>26,521,608.70</td>
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<td>-</td>
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</tr>
<tr>
<td>08/15/43</td>
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<td>90,180,141.50</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>08/15/44</td>
<td>17,183,760.00</td>
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</tr>
<tr>
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<td>-</td>
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<td>-</td>
</tr>
<tr>
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<td>72,977,305.20</td>
<td>89,490,000.00</td>
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<td>02/15/46</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
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<td>105,077,913.20</td>
<td>127,010,000.00</td>
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<td>02/15/47</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>08/15/47</td>
<td>20,816,712.40</td>
<td>-</td>
<td>108,103,287.60</td>
<td>128,920,000.00</td>
<td>128,920,000.00</td>
</tr>
<tr>
<td>02/15/48</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>08/15/48</td>
<td>19,809,586.80</td>
<td>-</td>
<td>111,050,413.20</td>
<td>130,860,000.00</td>
<td>130,860,000.00</td>
</tr>
<tr>
<td>02/15/49</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>08/15/49</td>
<td>18,840,607.20</td>
<td>-</td>
<td>113,989,392.80</td>
<td>132,830,000.00</td>
<td>132,830,000.00</td>
</tr>
<tr>
<td>02/15/50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total      | $1,111,120,254.85 | $734,884,953.70 | $1,539,794,981.40 | $3,385,800,189.95 | $3,385,800,189.95 |
### Leander Independent School District
#### Analysis of Revenues and Expenditures
#### Summary of Debt Service Fund

<table>
<thead>
<tr>
<th>Audit Revenues</th>
<th>Audit Expenditures</th>
<th>Anticipated Final Budget Revenues</th>
<th>Current Proposed Expenditures</th>
<th>Forecast Expenditures</th>
<th>Forecast Expenditures</th>
<th>Forecast Expenditures</th>
<th>Forecast Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5700 Local Revenues</strong></td>
<td>$ 60,199,904</td>
<td>$ 64,617,803</td>
<td>$ 69,576,315</td>
<td>$ 77,870,068</td>
<td>$ 81,948,677</td>
<td>$ 90,822,924</td>
<td>$ 95,366,451</td>
</tr>
<tr>
<td><strong>5800 State Revenues</strong></td>
<td>5,422</td>
<td>-</td>
<td>-</td>
<td>1,037,605</td>
<td>1,902,107</td>
<td>1,902,107</td>
<td>1,902,107</td>
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<tr>
<td><strong>5900 Federal Revenues</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 60,205,326</td>
<td>$ 64,617,803</td>
<td>$ 69,576,315</td>
<td>$ 77,870,068</td>
<td>$ 82,986,282</td>
<td>$ 92,725,031</td>
<td>$ 97,268,558</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Total Expenditures</th>
<th>Excess Revenues Over Expenditures</th>
<th>Other Resources (Uses)</th>
<th>Fund Balance-Beginning (as re-stated)</th>
<th>Fund Balance-Ending-Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>6500 Debt Service</td>
<td>$ 58,483,109</td>
<td>$ 61,464,358</td>
<td>$ 66,880,214</td>
<td>$ 76,110,261</td>
<td>$ 82,986,282</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 58,483,109</td>
<td>$ 61,464,358</td>
<td>$ 66,880,214</td>
<td>$ 76,110,261</td>
<td>$ 82,986,282</td>
</tr>
<tr>
<td><strong>Excess Revenues Over Expenditures</strong></td>
<td>1,722,217</td>
<td>3,153,445</td>
<td>2,696,101</td>
<td>1,759,807</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other Resources (Uses)</strong></td>
<td>996,719</td>
<td>-</td>
<td>112,995</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund Balance-Beginning (as re-stated)</strong></td>
<td>$ 15,117,334</td>
<td>$ 17,836,270</td>
<td>$ 20,989,715</td>
<td>$ 23,798,811</td>
<td>$ 25,563,618</td>
</tr>
<tr>
<td><strong>Fund Balance-Ending-Projected</strong></td>
<td>$ 17,836,270</td>
<td>$ 20,989,715</td>
<td>$ 23,798,811</td>
<td>$ 25,563,618</td>
<td>$ 25,563,618</td>
</tr>
</tbody>
</table>
### Five Year Analysis of Revenues and Expenditures
#### Debt Service Fund

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>53,271,115</td>
<td>60,205,326</td>
<td>64,617,803</td>
<td>69,576,315</td>
<td>77,870,068</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>57,183,144</td>
<td>58,483,109</td>
<td>61,464,358</td>
<td>66,880,214</td>
<td>76,110,261</td>
</tr>
<tr>
<td><strong>Excess Revenues Over Expenditures</strong></td>
<td>(3,912,029)</td>
<td>1,722,218</td>
<td>3,153,445</td>
<td>2,696,101</td>
<td>1,759,807</td>
</tr>
<tr>
<td><strong>Other Resources (Uses)</strong></td>
<td>923,843</td>
<td>996,719</td>
<td>-</td>
<td>112,995</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Fund Balance-Beginning as Restated</strong></td>
<td>18,105,520</td>
<td>15,117,334</td>
<td>17,836,270</td>
<td>20,989,715</td>
<td>23,798,811</td>
</tr>
<tr>
<td><strong>Fund Balance-Ending-Projected</strong></td>
<td>$15,117,334</td>
<td>17,836,270</td>
<td>$20,989,715</td>
<td>$23,798,811</td>
<td>$25,563,618</td>
</tr>
</tbody>
</table>

**Revenues**
- **5710 Tax collections**
  - 2010/2011: $53,128,632
  - 2011/2012: $60,031,684
  - 2012/2013: $64,281,941
  - 2013/2014: $69,440,669
  - 2014/2015: $77,810,068

- **5742 Investment earnings**
  - 2010/2011: $141,665
  - 2011/2012: $168,221
  - 2012/2013: $115,803
  - 2013/2014: $135,646
  - 2014/2015: $60,000

- **5749 Local miscellaneous**
  - 2010/2011: $818
  - 2011/2012: -
  - 2012/2013: -
  - 2013/2014: -
  - 2014/2015: -

- **5769 Other miscellaneous**
  - 2010/2011: -
  - 2011/2012: -
  - 2012/2013: $220,059
  - 2013/2014: -
  - 2014/2015: -

**Expenditures**
- **71 Debt service payments & fees**
  - 2010/2011: $57,183,144
  - 2011/2012: $58,483,109
  - 2012/2013: $61,464,358
  - 2013/2014: $66,880,214
  - 2014/2015: $76,110,261

**Anticipated Final Budget**
- **Audit**
  - 2010/2011: $77,810,068
  - 2011/2012: $69,440,669
  - 2012/2013: $64,281,941
  - 2013/2014: $60,031,684
  - 2014/2015: $53,128,632
### Historical Fund Balance Analysis

#### Debt Service Fund

<table>
<thead>
<tr>
<th>Audit Year</th>
<th>Enrollment</th>
<th>Ending Fund Balance</th>
<th>Debt Service Fund Expenditures</th>
<th>Months of Fund Balance</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>19,877</td>
<td>$8,661,547</td>
<td>$24,010,721</td>
<td>4.33</td>
<td>$2,300,919</td>
</tr>
<tr>
<td>2005-2006</td>
<td>21,985</td>
<td>$10,882,356</td>
<td>$25,874,180</td>
<td>5.05</td>
<td>$2,220,809</td>
</tr>
<tr>
<td>2007-2008</td>
<td>26,443</td>
<td>$35,563,184</td>
<td>$38,546,525</td>
<td>11.07</td>
<td>$23,450,495*</td>
</tr>
<tr>
<td>2008-2009</td>
<td>28,364</td>
<td>$24,615,320</td>
<td>$54,987,566</td>
<td>5.37</td>
<td>$(10,947,864)</td>
</tr>
<tr>
<td>2009-2010</td>
<td>30,321</td>
<td>$18,105,520</td>
<td>$57,907,428</td>
<td>3.75</td>
<td>$(6,509,800)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>32,034</td>
<td>$15,117,334</td>
<td>$57,183,144</td>
<td>3.17</td>
<td>$(2,988,186)</td>
</tr>
<tr>
<td>2011-2012</td>
<td>33,179</td>
<td>$17,836,270</td>
<td>$58,483,109</td>
<td>3.66</td>
<td>$2,718,936</td>
</tr>
<tr>
<td>2012-2013</td>
<td>34,265</td>
<td>$20,989,715</td>
<td>$61,464,358</td>
<td>4.10</td>
<td>$3,153,445</td>
</tr>
<tr>
<td>2013-2014</td>
<td>35,355</td>
<td>$23,798,811</td>
<td>$66,880,214</td>
<td>4.27</td>
<td>$2,809,096</td>
</tr>
</tbody>
</table>

* Net change for 2007-2008 includes $22 million of capitalized interest from 2008 refunding.

---

### Ending Fund Balance by School Year

![Graph showing ending fund balance by school year](image)
LEANDER ISD

CONSTRUCTION FUND INFORMATION
Construction Fund Overview

Budget Preparation Process

The proceeds from bond sales, interest earnings, and capital expenditures are the core of the revenues and expenditures that are reviewed annually when preparing the budget.

Goals and Objectives

The following goals and objectives are key components which drive our capital projects fund budget:

- Transparency for the taxpayers
- When possible, finance technology with M&O

The District does not have a fund balance reserve policy but strives to utilize all principal bond proceeds and related interest earnings in a manner acceptable with law, the community, and Board of Trustees.

The expenditures included in the budget are needed for capital asset purposes.
## Five Year Analysis of Revenues and Expenditures
### Capital Projects Fund

### Revenues

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5742 Investment earnings</td>
<td>$433,725</td>
<td>$317,778</td>
<td>$210,109</td>
<td>$260,624</td>
<td>$387,000</td>
</tr>
<tr>
<td>5744 Donations</td>
<td>845</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5749 Miscellaneous revenues</td>
<td>366,169</td>
<td>13,961</td>
<td>-</td>
<td>46,071</td>
<td>40,706</td>
</tr>
<tr>
<td><strong>Total Local Revenues</strong></td>
<td><strong>800,739</strong></td>
<td><strong>331,739</strong></td>
<td><strong>210,109</strong></td>
<td><strong>306,696</strong></td>
<td><strong>427,706</strong></td>
</tr>
<tr>
<td>5831 Teacher retirement on-behalf</td>
<td>25,861</td>
<td>24,459</td>
<td>23,494</td>
<td>25,345</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total State Revenues</strong></td>
<td><strong>25,861</strong></td>
<td><strong>24,459</strong></td>
<td><strong>23,494</strong></td>
<td><strong>25,345</strong></td>
<td><strong>25,000</strong></td>
</tr>
<tr>
<td>5959 Miscellaneous federal revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Federal Revenues</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>826,600</strong></td>
<td><strong>356,198</strong></td>
<td><strong>233,603</strong></td>
<td><strong>332,041</strong></td>
<td><strong>452,706</strong></td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>11 Instruction</td>
<td>266,262</td>
<td>1,819,033</td>
<td>1,180,144</td>
<td>3,434,195</td>
<td>12,000,000</td>
</tr>
<tr>
<td>12 Library and media</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13 Staff development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21 Instructional leadership</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23 School leadership</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31 Counseling &amp; evaluation services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>33 Health services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>34 Student transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000,000</td>
</tr>
<tr>
<td>35 Food services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>36 Cocurricular/extracurricular</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>41 General administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>135,000</td>
</tr>
<tr>
<td>51 Plant maintenance &amp; operations</td>
<td>1,200,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,085</td>
</tr>
<tr>
<td>52 Security &amp; monitoring services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>53 Data processing services</td>
<td>1,278,750</td>
<td>1,168,561</td>
<td>792,180</td>
<td>631,471</td>
<td>1,500,000</td>
</tr>
<tr>
<td>71 Debt service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,069,181</td>
<td>428,865</td>
</tr>
<tr>
<td>81 Capital projects</td>
<td>54,864,053</td>
<td>26,946,818</td>
<td>7,223,899</td>
<td>44,951,776</td>
<td>81,000,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>57,609,066</strong></td>
<td><strong>29,934,413</strong></td>
<td><strong>9,196,223</strong></td>
<td><strong>51,086,623</strong></td>
<td><strong>96,067,950</strong></td>
</tr>
</tbody>
</table>

### Excess Revenues Over Expenditures

<table>
<thead>
<tr>
<th></th>
<th>(56,782,465)</th>
<th>(29,578,215)</th>
<th>(8,962,620)</th>
<th>(50,754,583)</th>
<th>(95,615,244)</th>
</tr>
</thead>
</table>

### Other Resources (Uses)

|                      | -            | -            | -            | 208,264,181  | 23,228,865   |

### Fund Balance-Beginning

<table>
<thead>
<tr>
<th></th>
<th>157,351,317</th>
<th>100,568,852</th>
<th>70,990,636</th>
<th>62,028,016</th>
<th>219,537,614</th>
</tr>
</thead>
</table>

### Fund Balance-Ending-Projected

<table>
<thead>
<tr>
<th></th>
<th>$100,568,852</th>
<th>$70,990,637</th>
<th>$62,028,016</th>
<th>$219,537,614</th>
<th>$147,151,235</th>
</tr>
</thead>
</table>

411
## Historical Fund Balance Analysis

### Capital Projects Fund

<table>
<thead>
<tr>
<th>Audit Year</th>
<th>Enrollment</th>
<th>Ending Fund Balance</th>
<th>Capital Projects Fund Expenditures</th>
<th>Months of Fund Balance</th>
<th>Net Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>19,877</td>
<td>$145,058,925$</td>
<td>$30,207,653$</td>
<td>N/A</td>
<td>$55,821,323$</td>
</tr>
<tr>
<td>2006-2007</td>
<td>24,230</td>
<td>$228,665,535$</td>
<td>$121,186,753$</td>
<td>N/A</td>
<td>$(5,502,163)$</td>
</tr>
<tr>
<td>2007-2008</td>
<td>26,443</td>
<td>$344,237,184$</td>
<td>$165,392,687$</td>
<td>N/A</td>
<td>$115,571,649$</td>
</tr>
<tr>
<td>2008-2009</td>
<td>28,364</td>
<td>$181,696,351$</td>
<td>$194,130,355$</td>
<td>N/A</td>
<td>$(162,540,833)$</td>
</tr>
<tr>
<td>2009-2010</td>
<td>30,321</td>
<td>$157,351,317$</td>
<td>$94,965,015$</td>
<td>N/A</td>
<td>$(24,345,034)$</td>
</tr>
<tr>
<td>2010-2011</td>
<td>32,034</td>
<td>$100,568,852$</td>
<td>$57,609,066$</td>
<td>N/A</td>
<td>$(29,578,214)$</td>
</tr>
<tr>
<td>2011-2012</td>
<td>33,179</td>
<td>$70,990,638$</td>
<td>$29,934,413$</td>
<td>N/A</td>
<td>$(8,962,621)$</td>
</tr>
<tr>
<td>2012-2013</td>
<td>34,265</td>
<td>$62,028,017$</td>
<td>$9,196,223$</td>
<td>N/A</td>
<td>$157,509,597$</td>
</tr>
<tr>
<td>2013-2014</td>
<td>35,355</td>
<td>$219,537,614$</td>
<td>$51,086,623$</td>
<td>N/A</td>
<td>$157,509,597$</td>
</tr>
</tbody>
</table>

### Ending Fund Balance by School Year

The chart above illustrates the ending fund balance for each school year from 2004-2005 to 2013-2014.
LEANDER ISD

FINANCIAL ACCOUNTABILITY INFORMATION
Texas Comptroller Gold Leadership Circle

The Texas Comptroller, Susan Combs, recognizes local governments (cities, counties, school districts and other special districts) across the state where “hard-earned dollars” are spent.

The Comptroller spotlights those local governments that are:

- opening their books to the public
- providing clear, consistent pictures of spending
- sharing information in a user-friendly format that lets taxpayers easily drill down for more detail

The recognition provided has multiple levels and the rating provided is determined by how financially transparent local governments are by posting three key financial documents online and they are as follow:

1. the annual budget,
2. the annual financial report, and
3. the check register.

Since inception of this program, Leander Independent School District has received the highest recognition available for financial transparency. Currently, the highest recognition is “platinum” and it is earned by ‘entities that go above and beyond providing financial transparency.

Besides the three Comptroller-required key financial documents, the District maintains energy reports, tax data, etc. online and these items were a contributing factor in the District gaining this special recognition.
The Association of School Business Officials International (ASBO) has an award program, Certificate of Excellence in Financial Reporting (COE), that recognized the accounting and reporting procedures used in the Comprehensive Annual Financial Report (CAFR). The primary objective of the program is to promote high-quality school system financial reporting through the preparation of a CAFR using strict guidelines (which were developed by experienced accounting professionals with a background in governmental accounting and auditing).

Leander Independent School District received the COE for the 2013/2014 CAFR prepared by the Business Services Department.
Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers of America (GFOA) has an award program, Certificate of Achievement for Excellence in Financial Reporting, that recognized the accounting and reporting procedures used in the Comprehensive Annual Financial Report (CAFR). The primary objective of the program is to promote high-quality school system financial reporting through the preparation of a CAFR using strict guidelines (which were developed by experienced accounting professionals with a background in governmental accounting and auditing).

Leander Independent School District received the award for the 2013/2014 CAFR prepared by the Business Services Department.
INFORMATIONAL SECTION
LEANDER ISD

PERSONNEL INFORMATION
**Personnel Overview**

The staffing of campuses, departments, and administrative roles is thoroughly reviewed by the Superintendent and Assistant Superintendents to continue our classroom success. While there is not an exact science to the process, the budget document includes some of the relevant information used in determining staff counts, salary schedules, and raise criteria.

**Staffing Positions Added**

At this time, the Board has early released a total of 154.5 new positions – 143 are campus based and 11.5 are non-campus support positions.

**Teacher Pay Scale and District Compensation Changes**

The Teacher Pay Scale is very competitive versus the surrounding districts and the following is a summary of the highlights of the scale:

<table>
<thead>
<tr>
<th>Experience Level</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting Teacher</td>
<td>$43,700</td>
</tr>
<tr>
<td>5 Years Experience</td>
<td>$45,930</td>
</tr>
<tr>
<td>10 Years Experience</td>
<td>$48,205</td>
</tr>
<tr>
<td>15 Years Experience</td>
<td>$50,477</td>
</tr>
<tr>
<td>20 Years Experience</td>
<td>$53,080</td>
</tr>
<tr>
<td>Maximum Salary for New Hires</td>
<td>$62,434</td>
</tr>
</tbody>
</table>

The teacher pay scale includes a 2% pay raise. Other positions will receive the same.

**Staffing Reassignments and Attrition**

The District regularly evaluates employment types for each campus and department in order to determine if staffing levels are appropriate. When necessary, LISD reassigns staff accordingly in order to meet all District objectives. While final staffing counts will not be determined until early September (after school starts and actual enrollment is realized), we feel that the 154.5 additional positions for 2015/16 will meet campus and department needs.
Staffing Drivers

The major driver of staffing formulas is based on enrollment trends. The following information reflects enrollment history and projections used to allocate positions.

![Enrollment History and Projections](image)

*Projections based on Oct 2014 Demographic Update-Low Growth Scenario, with adjustments for PreK at 50%.

The District utilizes a demography firm, Population and Survey Analysts (PASA), to assist in developing information regarding student enrollment projections and trends. PASA applies the latest techniques and methodologies available in the industry when developing projections for Leander ISD. Projections are updated annually in October. A copy of the latest [demographic report](#) can be found on our website.
## Performance Measures

### Selected State and/or national standardized test scores

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LISD SAT (average score)</td>
<td>1070</td>
<td>1546</td>
<td>1575</td>
<td>1589</td>
<td>1595</td>
</tr>
<tr>
<td>State SAT (average score)</td>
<td>976</td>
<td>1422</td>
<td>1422</td>
<td>1432</td>
<td>1410</td>
</tr>
<tr>
<td>LISD ACT (average score)</td>
<td>23.7</td>
<td>23.2</td>
<td>23.8</td>
<td>23.6</td>
<td>23.8</td>
</tr>
<tr>
<td>State ACT (average score)</td>
<td>20.5</td>
<td>20.5</td>
<td>20.6</td>
<td>20.9</td>
<td>21.0</td>
</tr>
</tbody>
</table>

### LISD Drop-out Rates (9-12)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LISD Drop-out Rates (9-12)</td>
<td>0.40%</td>
<td>0.40%</td>
<td>0.40%</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>State Average Drop-out Rates (9-12)</td>
<td>2.40%</td>
<td>2.40%</td>
<td>2.20%</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>LISD % Free and Reduced</td>
<td>22.50%</td>
<td>22.00%</td>
<td>21.90%</td>
<td>18.90%</td>
<td>*</td>
</tr>
<tr>
<td>State Average % Free and Reduced</td>
<td>59.20%</td>
<td>60.40%</td>
<td>60.40%</td>
<td>60.20%</td>
<td>*</td>
</tr>
<tr>
<td>LISD Teacher turnover rate</td>
<td>8.60%</td>
<td>8.60%</td>
<td>10.80%</td>
<td>10.90%</td>
<td>*</td>
</tr>
<tr>
<td>State Average Teacher turnover rate</td>
<td>11.90%</td>
<td>12.60%</td>
<td>15.30%</td>
<td>16.20%</td>
<td>*</td>
</tr>
</tbody>
</table>

* Information not available at the time this document was prepared.
Counts of LISD Employees

The following table and chart depicts employee data for each of the last seven fiscal years:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>2,086.10</td>
<td>2,206.40</td>
<td>2,159.10</td>
<td>2,231.10</td>
<td>2,301.00</td>
<td>2,362.50</td>
<td>2,458.50</td>
</tr>
<tr>
<td>Professional Support</td>
<td>561.00</td>
<td>542.70</td>
<td>518.30</td>
<td>551.40</td>
<td>552.50</td>
<td>518.90</td>
<td>529.90</td>
</tr>
<tr>
<td>Campus Administration</td>
<td>99.20</td>
<td>97.40</td>
<td>100.70</td>
<td>101.50</td>
<td>105.50</td>
<td>114.30</td>
<td>115.30</td>
</tr>
<tr>
<td>Central Administration</td>
<td>56.90</td>
<td>47.50</td>
<td>39.50</td>
<td>41.60</td>
<td>44.70</td>
<td>47.70</td>
<td>48.70</td>
</tr>
<tr>
<td>Educational Aides</td>
<td>313.20</td>
<td>329.40</td>
<td>906.20</td>
<td>334.40</td>
<td>354.70</td>
<td>348.30</td>
<td>371.30</td>
</tr>
<tr>
<td>Auxiliary Staff</td>
<td>867.60</td>
<td>935.60</td>
<td>758.30</td>
<td>877.30</td>
<td>885.10</td>
<td>916.10</td>
<td>929.60</td>
</tr>
</tbody>
</table>

2009/10 - 2011/12 data from Fall Academic Excellence Indicator System (AEIS) snapshot
2012/13 - 2013/14 data from Fall Texas Academic Performance Report (TAPR) snapshot
2014/15 data from Public Education Information Management System (PEIMS) as TAPR report is not complete
2015/16 is Proposed Budget Year
LISD HISTORICAL TREND OF TEACHER PAY SCALE
Step
0
1
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11
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28
29
30
31

2013‐2014 Teacher Pay Scale
Bachelors Masters Doctorate
$ 42,750
$43,750
$44,750
$ 43,235
$44,235
$45,235
$ 43,695
$44,695
$45,695
$ 44,195
$45,195
$46,195
$ 44,695
$45,695
$46,695
$ 45,270
$46,270
$47,270
$ 45,670
$46,670
$47,670
$ 46,070
$47,070
$48,070
$ 46,430
$47,430
$48,430
$ 46,955
$47,955
$48,955
$ 47,480
$48,480
$49,480
$ 47,915
$48,915
$49,915
$ 48,342
$49,342
$50,342
$ 48,707
$49,707
$50,707
$ 48,988
$49,988
$50,988
$ 49,191
$50,191
$51,191
$ 49,814
$50,814
$51,814
$ 50,537
$51,537
$52,537
$ 51,345
$52,345
$53,345
$ 52,155
$53,155
$54,155
$ 53,125
$54,125
$55,125
$ 54,025
$55,025
$56,025
$ 54,825
$55,825
$56,825
$ 55,515
$56,515
$57,515
$ 56,325
$57,325
$58,325
$ 57,205
$58,205
$59,205
$ 58,040
$59,040
$60,040
$ 58,850
$59,850
$60,850
$ 59,647
$60,647
$61,647
$ 60,422
$61,422
$62,422
$ 61,170
$62,170
$63,170
$62,935
$63,935
$ 61,935

Step
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22
23
24
25
26
27
28
29
30
31
32+

2014‐2015 Teacher Pay Scale
Bachelors % Increase $ Increase
$ 43,075
N/A
N/A
$ 43,487
1.7%
$737
$ 43,972
1.7%
$737
$ 44,432
1.7%
$737
$ 44,932
1.7%
$737
$ 45,432
1.6%
$737
$ 46,007
1.6%
$737
$ 46,407
1.6%
$737
$ 46,807
1.6%
$737
$ 47,207
1.7%
$777
$ 47,692
1.6%
$737
$ 48,217
1.6%
$737
$ 48,652
1.5%
$737
$ 49,079
1.5%
$737
$ 49,479
1.6%
$772
$ 49,879
1.8%
$891
$ 50,279
2.2%
$1,088
$ 50,679
1.7%
$865
$ 51,274
1.5%
$737
$ 52,082
1.4%
$737
$ 52,892
1.4%
$737
$ 53,862
1.4%
$737
$ 54,762
1.4%
$737
$ 55,562
1.3%
$737
$ 56,252
1.3%
$737
$ 57,062
1.3%
$737
$ 57,942
1.3%
$737
$ 58,777
1.3%
$737
$ 59,587
1.3%
$737
$ 60,384
1.2%
$737
$ 61,159
1.2%
$737
1.2%
$737
$ 61,907
0.0%
$0
$ 61,935

Step
0
1
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17
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21
22
23
24
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26
27
28
29
30
31
32+

2015‐2016 Teacher Pay Scale
Bachelors % Increase $ Increase
$ 43,700
N/A
N/A
$ 44,073
2.3%
$998
$ 44,485
2.3%
$998
$ 44,970
2.3%
$998
$ 45,430
2.2%
$998
$ 45,930
2.2%
$998
$ 46,430
2.2%
$998
$ 47,005
2.2%
$998
$ 47,405
2.2%
$998
$ 47,805
2.1%
$998
$ 48,205
2.1%
$998
$ 48,690
2.1%
$998
$ 49,215
2.1%
$998
$ 49,650
2.1%
$998
$ 50,077
2.0%
$998
$ 50,477
2.0%
$998
$ 50,877
2.0%
$998
$ 51,277
2.0%
$998
$ 51,677
2.0%
$998
$ 52,272
1.9%
$998
$ 53,080
1.9%
$998
$ 53,890
1.9%
$998
$ 54,860
1.9%
$998
$ 55,760
1.8%
$998
$ 56,560
1.8%
$998
$ 57,250
1.8%
$998
$ 58,060
1.7%
$998
$ 58,940
1.7%
$998
$ 59,775
1.7%
$998
$ 60,585
1.7%
$998
$ 61,382
1.7%
$998
1.6%
$998
$ 62,157
0.9%
$527
$ 62,434

Note: Prior to 2015‐16, Teachers with 31+ years of experience did not receive a salary increase. In 2015‐16, the Board granted a $499 increase to teachers with more than 32 years of experience. Prior to 2015‐
16, additional increases were given for some steps to fix some internal scale issues.

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Historical Teacher Pay

<table>
<thead>
<tr>
<th>School Year</th>
<th>Pay Increase Avg $</th>
<th>Pay Increase Avg. %</th>
<th>0 Year Bachelor's</th>
<th>Highest Salary</th>
<th>Highest Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>$989</td>
<td>2.0%</td>
<td>$43,700</td>
<td>$62,434</td>
<td>32+</td>
</tr>
<tr>
<td>2014-15</td>
<td>$737</td>
<td>1.5%</td>
<td>$43,075</td>
<td>$61,935</td>
<td>31+</td>
</tr>
<tr>
<td>2013-14</td>
<td>$735</td>
<td>1.5%</td>
<td>$42,750</td>
<td>$61,935</td>
<td>31+</td>
</tr>
<tr>
<td>2012-13</td>
<td>$960</td>
<td>2.0%</td>
<td>$42,500</td>
<td>$61,775</td>
<td>30+</td>
</tr>
<tr>
<td>2011-12</td>
<td>$0</td>
<td>0.0%</td>
<td>$42,000</td>
<td>$61,775</td>
<td>29+</td>
</tr>
</tbody>
</table>
Medical Plan Summary

- LISD became self-funded
- LISD contribution $320 Per Employee Per Month (PEPM) ($42 to HSAs)

- LISD contribution reduced to $310 PEPM ($35 to HSAs) due to budget reductions

- LISD contribution remained at $310 PEPM, and HSAs reduced to $20 in lieu of premium increases

- LISD contribution remained at $310 PEPM, and HSAs increased to $42 based on predicted savings from medical vendor change (WebTPA to BCBS)

- LISD contribution remained unchanged - $310 PEPM ($42 to HSAs)
### Medical Insurance District Contribution

<table>
<thead>
<tr>
<th>Local ISD</th>
<th>Annual Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Travis</td>
<td>$5,685</td>
</tr>
<tr>
<td>Eanes</td>
<td>$5,400</td>
</tr>
<tr>
<td>Austin</td>
<td>$5,355</td>
</tr>
<tr>
<td>Round Rock</td>
<td>$4,440</td>
</tr>
<tr>
<td>Pflugerville</td>
<td>$4,320</td>
</tr>
<tr>
<td>Georgetown</td>
<td>$3,900</td>
</tr>
<tr>
<td>LEANDER</td>
<td>$3,720</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Peer ISD</th>
<th>Annual Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEANDER</td>
<td>$3,720</td>
</tr>
<tr>
<td>McKinney</td>
<td>$3,672</td>
</tr>
<tr>
<td>Judson</td>
<td>$3,600</td>
</tr>
<tr>
<td>Frisco</td>
<td>$3,360</td>
</tr>
<tr>
<td>Keller</td>
<td>$3,300</td>
</tr>
<tr>
<td>Mansfield</td>
<td>$3,000</td>
</tr>
<tr>
<td>Pearland</td>
<td>$2,700</td>
</tr>
</tbody>
</table>
# Employee Contribution for Employee Only Medical Coverage

<table>
<thead>
<tr>
<th>Local ISD</th>
<th>Annual Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$0</td>
</tr>
<tr>
<td>Round Rock</td>
<td>$0</td>
</tr>
<tr>
<td>Eanes</td>
<td>$0</td>
</tr>
<tr>
<td>Georgetown</td>
<td>$0</td>
</tr>
<tr>
<td>LEANDER</td>
<td>$120</td>
</tr>
<tr>
<td>Pflugerville</td>
<td>$480</td>
</tr>
<tr>
<td>Lake Travis</td>
<td>$859</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Peer ISD</th>
<th>Annual Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judson</td>
<td>$0</td>
</tr>
<tr>
<td>LEANDER</td>
<td>$120</td>
</tr>
<tr>
<td>McKinney</td>
<td>$228</td>
</tr>
<tr>
<td>Keller</td>
<td>$432</td>
</tr>
<tr>
<td>Frisco</td>
<td>$540</td>
</tr>
<tr>
<td>Mansfield</td>
<td>$900</td>
</tr>
<tr>
<td>Pearland</td>
<td>$1,200</td>
</tr>
</tbody>
</table>
LEANDER ISD

TAX INFORMATION
The final certified values (Williamson County) and preliminary valuations (Travis County) for the 2015 tax year have been received by the District. Since the full tax roll will not be certified until late August, the following taxable value estimate is the initial factor considered when preparing the General Fund and Debt Service Fund budgets:

<table>
<thead>
<tr>
<th>County</th>
<th>Taxable Value</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williamson County</td>
<td>$ 9,743,285,142</td>
<td>10.62%</td>
</tr>
<tr>
<td>Travis County</td>
<td>$ 6,671,424,854</td>
<td>2.89%</td>
</tr>
</tbody>
</table>

By law, we have to propose a tax rate after certified values are received. Based on the information available at this time, it appears that a total tax rate of $1.54 ($1.04 for M&O and $0.50 for I&S) may be proposed at a board meeting in September. The proposed tax rate is the maximum tax rate the District may adopt without going through the same motions – meaning, re-publishing a tax rate notice and holding a public hearing on the tax rate.

The District does not receive any alternative tax collections, e.g., sales tax, income tax, sin tax, etc.
### Tax Rates and Assessed Valuations

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund Tax Rate</th>
<th>Debt Service Tax Rate</th>
<th>Total Tax Rate</th>
<th>* Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>$ 1.04000</td>
<td>$ 0.41480</td>
<td>$ 1.45480</td>
<td>$14,428,627,898</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$ 1.04000</td>
<td>$ 0.45976</td>
<td>$ 1.49976</td>
<td>$14,686,918,993</td>
</tr>
<tr>
<td>2012-2013</td>
<td>$ 1.04000</td>
<td>$ 0.47187</td>
<td>$ 1.51187</td>
<td>$15,263,636,349</td>
</tr>
<tr>
<td>2013-2014</td>
<td>$ 1.04000</td>
<td>$ 0.47187</td>
<td>$ 1.51187</td>
<td>$16,192,701,422</td>
</tr>
<tr>
<td>2014-2015</td>
<td>$ 1.04000</td>
<td>$ 0.47187</td>
<td>$ 1.51187</td>
<td>$18,572,387,999</td>
</tr>
</tbody>
</table>

**Forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>General Fund Tax Rate</th>
<th>Debt Service Tax Rate</th>
<th>Total Tax Rate</th>
<th>* Assessed Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2016</td>
<td>$ 1.04000</td>
<td>$ 0.50000</td>
<td>$ 1.54000</td>
<td>$20,370,869,509</td>
</tr>
<tr>
<td>2016-2017</td>
<td>$ 1.04000</td>
<td>$ 0.50000</td>
<td>$ 1.54000</td>
<td>$21,369,042,115</td>
</tr>
<tr>
<td>2017-2018</td>
<td>$ 1.04000</td>
<td>$ 0.50000</td>
<td>$ 1.54000</td>
<td>$22,416,125,179</td>
</tr>
<tr>
<td>2018-2019</td>
<td>$ 1.04000</td>
<td>$ 0.50000</td>
<td>$ 1.54000</td>
<td>$23,312,770,186</td>
</tr>
</tbody>
</table>

* Assessed Values based on CPTD Value Assigned adjusted for Ag. Productivity Loss
** Projected M&O and I&S tax rates are based upon the 2015 tax year notice (actual rates TBD), and assessed valuations are increased for 2016-2019 as follows: 4.9%, 4.9%, 4.0%

The graph below depicts the tax rates for years 2010-2011 through 2014-2015.
## Five Year Trend for Property Taxes and Rates

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>School Year</th>
<th>Taxable Values *</th>
<th>% Change</th>
<th>$ Increase/(Decrease)</th>
<th>Total Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2010-2011</td>
<td>$12,857,337,615</td>
<td>-1.9%</td>
<td>$(246,042,415)</td>
<td>$1.45480</td>
</tr>
<tr>
<td>2011</td>
<td>2011-2012</td>
<td>$13,113,340,315</td>
<td>2.0%</td>
<td>$256,002,700</td>
<td>$1.49976</td>
</tr>
<tr>
<td>2012</td>
<td>2012-2013</td>
<td>$13,643,572,910</td>
<td>4.0%</td>
<td>$530,232,595</td>
<td>$1.51187</td>
</tr>
<tr>
<td>2013</td>
<td>2013-2014</td>
<td>$14,540,603,259</td>
<td>6.6%</td>
<td>$897,030,349</td>
<td>$1.51187</td>
</tr>
<tr>
<td>2014</td>
<td>2014-2015</td>
<td>$16,514,702,294</td>
<td>13.6%</td>
<td>$1,974,099,035</td>
<td>$1.51187</td>
</tr>
</tbody>
</table>

* Based on CPTD but Excludes Comptroller's Deduction for Deferred Taxes

![Taxable Values by School Year](image1)

![Tax Rates by School Year](image2)
**Tax Collection History and Forecast**

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Taxable Valuation *</th>
<th>Tax Rate</th>
<th>Tax Levy</th>
<th>Current Collections</th>
<th>Current and Delinquent Collections</th>
<th>FYE 8/31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$6,965,412,783</td>
<td>$1.79000</td>
<td>$124,680,889</td>
<td>$121,670,164 97.59%</td>
<td>$123,723,676 99.23%</td>
<td>2005</td>
</tr>
<tr>
<td>2005</td>
<td>$7,785,818,265</td>
<td>$1.75000</td>
<td>$136,251,820</td>
<td>$134,592,892 98.78%</td>
<td>$137,740,990 101.09%</td>
<td>2006</td>
</tr>
<tr>
<td>2006</td>
<td>$9,089,431,552</td>
<td>$1.64380</td>
<td>$149,412,076</td>
<td>$148,267,789 99.23%</td>
<td>$150,623,956 100.81%</td>
<td>2007</td>
</tr>
<tr>
<td>2007</td>
<td>$11,052,656,148</td>
<td>$1.33400</td>
<td>$147,376,117</td>
<td>$145,456,623 98.70%</td>
<td>$148,940,049 101.06%</td>
<td>2008</td>
</tr>
<tr>
<td>2008</td>
<td>$12,716,111,786</td>
<td>$1.37924</td>
<td>$175,385,700</td>
<td>$170,703,882 97.33%</td>
<td>$172,431,224 98.32%</td>
<td>2009</td>
</tr>
<tr>
<td>2009</td>
<td>$13,084,031,352</td>
<td>$1.42234</td>
<td>$186,099,412</td>
<td>$182,389,634 98.01%</td>
<td>$183,936,174 98.84%</td>
<td>2010</td>
</tr>
<tr>
<td>2010</td>
<td>$12,857,337,615</td>
<td>$1.45480</td>
<td>$187,048,548</td>
<td>$183,682,527 98.20%</td>
<td>$185,428,352 99.13%</td>
<td>2011</td>
</tr>
<tr>
<td>2011</td>
<td>$13,113,340,315</td>
<td>$1.49976</td>
<td>$196,668,633</td>
<td>$193,530,527 98.40%</td>
<td>$194,877,345 99.09%</td>
<td>2012</td>
</tr>
<tr>
<td>2012</td>
<td>$13,643,572,910</td>
<td>$1.51187</td>
<td>$206,273,086</td>
<td>$203,471,251 97.64%</td>
<td>$205,082,362 99.42%</td>
<td>2013</td>
</tr>
<tr>
<td>2013</td>
<td>$14,540,603,259</td>
<td>$1.51187</td>
<td>$219,835,018</td>
<td>$218,606,875 99.44%</td>
<td>$221,937,084 100.96%</td>
<td>2014</td>
</tr>
<tr>
<td>2014</td>
<td>$16,514,702,294</td>
<td>$1.51187</td>
<td>$249,680,830</td>
<td>$246,520,797 98.73%</td>
<td>$248,716,468 99.61%</td>
<td>2015</td>
</tr>
<tr>
<td>2015</td>
<td>$18,472,164,344</td>
<td>$1.54000</td>
<td>$284,471,331</td>
<td>$280,204,261 98.50%</td>
<td>$282,329,261 99.25%</td>
<td>2016</td>
</tr>
</tbody>
</table>

**Note:** Tax rates are applied per $100 of taxable value resulting in the taxpayers' liability.
* Based on CPTD but excludes Comptroller's Deduction for Deferred Taxes
** Includes Rollback Taxes (imposed when land changes purpose/use and no longer qualifies for ag-use, open space or restricted use appraisal) Rollback Taxes are assessed for (up to) the preceding 3 to 5 years depending on the land category

**Tax Collection History and Forecast**

**Forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>Collections</th>
<th>% by Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$18,472,164,344</td>
<td>98.50%</td>
</tr>
<tr>
<td>2006</td>
<td>$284,471,331</td>
<td>99.95%</td>
</tr>
<tr>
<td>2007</td>
<td>$280,204,261</td>
<td>99.50%</td>
</tr>
<tr>
<td>2008</td>
<td>$282,329,261</td>
<td>99.90%</td>
</tr>
<tr>
<td>2009</td>
<td>$284,471,331</td>
<td>99.50%</td>
</tr>
<tr>
<td>2010</td>
<td>$280,204,261</td>
<td>99.50%</td>
</tr>
<tr>
<td>2011</td>
<td>$282,329,261</td>
<td>99.90%</td>
</tr>
<tr>
<td>2012</td>
<td>$284,471,331</td>
<td>99.95%</td>
</tr>
<tr>
<td>2013</td>
<td>$280,204,261</td>
<td>99.50%</td>
</tr>
<tr>
<td>2014</td>
<td>$282,329,261</td>
<td>99.90%</td>
</tr>
</tbody>
</table>

**Tax Collection % by Fiscal Year**

- **Fiscal Year Ended**
  - 2005
  - 2006
  - 2007
  - 2008
  - 2009
  - 2010
  - 2011
  - 2012
  - 2013
  - 2014
### Historical Lookback at Adopted Tax Rates and Proposed Tax Rates for 2015/2016

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed M&amp;O Tax Rate</td>
<td>$1.0400</td>
<td>$1.0400</td>
<td>$1.0400</td>
<td>$1.0400</td>
<td>$1.0400</td>
</tr>
<tr>
<td>Proposed I&amp;S Tax Rate</td>
<td>0.45976</td>
<td>0.47187</td>
<td>0.47187</td>
<td>0.47187</td>
<td>0.50000</td>
</tr>
<tr>
<td>Total Proposed Tax Rate</td>
<td>$1.49976</td>
<td>$1.51187</td>
<td>$1.51187</td>
<td>$1.51187</td>
<td>$1.54000</td>
</tr>
</tbody>
</table>

### Analysis of Change in Estimated Taxes Owed on Average Home

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Value</td>
<td>$235,235</td>
<td>$237,779</td>
<td>$251,110</td>
<td>$280,682</td>
<td>$304,675</td>
</tr>
<tr>
<td>State Homestead</td>
<td>(15,000)</td>
<td>(15,000)</td>
<td>(15,000)</td>
<td>(15,000)</td>
<td>(25,000)</td>
</tr>
<tr>
<td>Taxable Value</td>
<td>$220,235</td>
<td>$222,779</td>
<td>$236,110</td>
<td>$265,682</td>
<td>$279,675</td>
</tr>
<tr>
<td>Total LISD Tax Rate</td>
<td>1.49976</td>
<td>1.51187</td>
<td>1.51187</td>
<td>1.51187</td>
<td>1.54000</td>
</tr>
<tr>
<td>Estimated Taxes Owed</td>
<td>$3,303</td>
<td>$3,368</td>
<td>$3,570</td>
<td>$4,017</td>
<td>$4,307</td>
</tr>
</tbody>
</table>

Change in LISD Taxes (estimate) $290
## Comparison of Comptroller Valuations by Property Type

<table>
<thead>
<tr>
<th>Property Type</th>
<th>2011 Tax Year</th>
<th></th>
<th>2012 Tax Year</th>
<th></th>
<th>2013 Tax Year</th>
<th></th>
<th>2014 Tax Year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appraised Value</td>
<td>Percentage</td>
<td>Appraised Value</td>
<td>Percentage</td>
<td>Appraised Value</td>
<td>Percentage</td>
<td>Appraised Value</td>
<td>Percentage</td>
</tr>
<tr>
<td>Residential</td>
<td>$10,429,986,133</td>
<td>71.02%</td>
<td>$10,793,452,428</td>
<td>70.71%</td>
<td>$11,490,009,030</td>
<td>70.96%</td>
<td>$13,258,658,402</td>
<td>71.39%</td>
</tr>
<tr>
<td>Acreage</td>
<td>807,164,118</td>
<td>5.50%</td>
<td>796,737,700</td>
<td>5.22%</td>
<td>776,442,024</td>
<td>4.80%</td>
<td>791,651,351</td>
<td>4.26%</td>
</tr>
<tr>
<td>Vacant Lots &amp; Tracts</td>
<td>435,539,792</td>
<td>2.97%</td>
<td>419,997,070</td>
<td>2.75%</td>
<td>431,504,592</td>
<td>2.66%</td>
<td>470,404,919</td>
<td>2.53%</td>
</tr>
<tr>
<td>Utilities</td>
<td>81,543,687</td>
<td>0.56%</td>
<td>115,349,742</td>
<td>0.76%</td>
<td>89,826,278</td>
<td>0.55%</td>
<td>89,884,545</td>
<td>0.48%</td>
</tr>
<tr>
<td>Farm &amp; Ranch Improvements</td>
<td>65,281,313</td>
<td>0.44%</td>
<td>69,087,894</td>
<td>0.45%</td>
<td>113,785,615</td>
<td>0.70%</td>
<td>141,480,966</td>
<td>0.76%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Total Appraised Value</th>
<th>100.00%</th>
<th>Total Tax Exemptions</th>
<th>100.00%</th>
<th>Taxable Assessed Value *</th>
<th>100.00%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$14,686,918,993</td>
<td>100.00%</td>
<td>$(1,573,578,678)</td>
<td>100.00%</td>
<td>$13,113,340,315</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total Tax Exemptions</td>
<td>$(1,573,578,678)</td>
<td>100.00%</td>
<td>$(1,620,063,439)</td>
<td>100.00%</td>
<td>$(1,652,098,163)</td>
<td>100.00%</td>
</tr>
<tr>
<td>Taxable Assessed Value *</td>
<td>$13,113,340,315</td>
<td>100.00%</td>
<td>$(2,057,685,705)</td>
<td>100.00%</td>
<td>$16,514,702,294</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

* Based on CPTD but Excludes Comptroller's Deduction for Deferred Taxes

---

## Valuations by Property Type

- **Farm & Ranch Improvements**
- **Utilities**
- **Vacant Lots & Tracts**
- **Acreage**
- **Commercial, Industrial & Business**
- **Residential**

![Valuations by Property Type](image-url)
### Delinquent Tax Collection History

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Taxable Valuation *</th>
<th>Tax Rate</th>
<th>Tax Levy</th>
<th>Delinquent Tax Collections</th>
<th>Change from Previous Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>2004</td>
<td>$ 6,965,412,783</td>
<td>1.79000</td>
<td>$ 124,680,889</td>
<td>$ 2,053,512</td>
<td>1.65%</td>
</tr>
<tr>
<td>2005</td>
<td>7,785,818,265</td>
<td>1.75000</td>
<td>$ 136,251,820</td>
<td>3,148,098</td>
<td>2.31%</td>
</tr>
<tr>
<td>2006</td>
<td>9,089,431,552</td>
<td>1.64380</td>
<td>$ 149,412,076</td>
<td>2,356,168</td>
<td>1.58%</td>
</tr>
<tr>
<td>2007</td>
<td>11,052,656,148</td>
<td>1.33340</td>
<td>$ 147,376,117</td>
<td>3,483,426</td>
<td>2.36%</td>
</tr>
<tr>
<td>2008</td>
<td>12,716,111,788</td>
<td>1.37924</td>
<td>$ 175,385,700</td>
<td>1,727,342</td>
<td>0.98%</td>
</tr>
<tr>
<td>2009</td>
<td>13,084,031,352</td>
<td>1.42234</td>
<td>$ 186,099,412</td>
<td>1,546,540</td>
<td>0.83%</td>
</tr>
<tr>
<td>2010</td>
<td>12,857,337,615</td>
<td>1.45480</td>
<td>$ 187,048,548</td>
<td>1,745,825</td>
<td>0.93%</td>
</tr>
<tr>
<td>2011</td>
<td>13,113,340,315</td>
<td>1.49976</td>
<td>$ 196,688,633</td>
<td>1,346,817</td>
<td>0.68%</td>
</tr>
<tr>
<td>2012</td>
<td>13,643,572,910</td>
<td>1.51187</td>
<td>$ 206,273,086</td>
<td>1,661,111</td>
<td>0.81%</td>
</tr>
<tr>
<td>2013</td>
<td>14,540,603,259</td>
<td>1.51187</td>
<td>$ 219,835,018</td>
<td>3,330,209 **</td>
<td>1.51%</td>
</tr>
</tbody>
</table>

* Based on CPTD but Excludes Comptroller's Deduction for Deferred Taxes
** Includes Rollback Taxes (imposed when land changes purpose/use and no longer qualifies for ag-use, open space or restricted use appraisal)
Rollback taxes are assessed for (up to) the preceeding 3 to 5 years depending on the land category

### Change in Delinquent Tax Collection % from Previous Fiscal Year

![Change in Delinquent Tax Collection % from Previous Fiscal Year](image)
Outstanding Bond Issues and Bond Amortization schedule

The District has multiple outstanding bond series (new money and refunding). A summary of the current amortization schedule can be found on Pages 399-400.

The total amount of principal outstanding on voter-authorized bonds as of August 20, 2015 is $1,072,980,374.

The upcoming and past details of semi-annual bond payments are as follow (subject to change if any bonds are refunded for savings or there is an application of over-levy):

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>CAB Interest</th>
<th>Total Debt Service</th>
<th>Fiscal Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/15/15</td>
<td>$</td>
<td>-</td>
<td>7,478,771.19</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>08/15/15</td>
<td>38,139,912.70</td>
<td>9,335,890.32</td>
<td>11,616,470.25</td>
<td>59,082,273.27</td>
<td>66,571,044.45</td>
</tr>
<tr>
<td>02/15/16</td>
<td>-</td>
<td>13,049,337.50</td>
<td>-</td>
<td>13,049,337.50</td>
<td>-</td>
</tr>
<tr>
<td>08/15/16</td>
<td>34,657,192.35</td>
<td>15,631,084.70</td>
<td>13,927,454.20</td>
<td>64,215,731.25</td>
<td>77,285,068.75</td>
</tr>
<tr>
<td>02/15/17</td>
<td>-</td>
<td>12,673,200.00</td>
<td>-</td>
<td>12,673,200.00</td>
<td>-</td>
</tr>
<tr>
<td>08/15/17</td>
<td>35,606,570.20</td>
<td>17,470,171.90</td>
<td>11,107,851.65</td>
<td>64,184,593.75</td>
<td>76,857,793.75</td>
</tr>
</tbody>
</table>

In addition to the principal and interest owed on bonded debt, the District budgets about $6 thousand for bond fees.

While interest rates are not as low as they have been in recent months, there is a chance that callable maturities in August 2016-2021 could result in a refunding for savings during the earlier part of 2016. District administration will work closely with our financial advisor, and if savings exist, we will bring this before the Board for consideration.

At this time, there are no planned new bond sales during the 2015/2016 fiscal year.
### District Calendar 2015-2016

#### Calendar Key
- Student/Teacher Holiday
- Staff Dev./Student Holiday
- New to Leander Staff Dev.
- First/Last Day of School
- Bad Weather Make-Up Day*
- Proposed Testing Dates
- Early Release Day
- Last Day, 9-Weeks Period
- Last Day, 6-Weeks Period
- First/Last Day Semester - Ele.
- First/Last Day Semester - Sec.

#### Important Dates
- First Day of School: Aug. 24
- Labor Day: Sept. 7
- Rosh Hashanah (begins at sundown): Sept. 13-15
- Yom Kippur (begins at sundown): Sept. 22-23
- Columbus Day: Oct. 12
- Veteran's Day: Nov. 11
- Thanksgiving: Nov. 26
- Hanukkah: Dec. 6-14
- Christmas: Dec. 25
- MLK Day: Jan. 18
- Spring Break: March 14-18
- Good Friday: March 25
- Bad Weather Make-Up: April 25/May 23
- Memorial Day: May 30
- Last Day of School: June 3

#### Proposed Testing Dates
- PSAT: Oct. 14
- TAKS Exit Level: Oct. 19-22
- STAAR: Dec. 7-11
- TAKS Exit Level: Feb. 29-March 3
- STAAR: March 29-31
- STAAR: May 2-6
- STAAR/Retest: May 9-10
- STAAR: May 10-12

* Bad Weather Make-Up Days are holidays unless the assigned day is needed due to bad weather, which will be communicated in advance.
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Great for home improvements, dream vacations or debt consolidation

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• Convenient online application

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1-800-580-3300

RBFCU
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SCHOOL MEALS
A breakfast and lunch program is offered at all LISD campuses on a self-supporting, nonprofit basis. LISD offers a program of free- and reduced-lunch prices based on a student’s financial need. Information is available at each campus or by calling Child Nutrition Services at 512-570-0670.

ELEMENTARY: $1.35 (B) | $2.30 (L)
SECONDARY: $1.60 (B) | $2.55 (L)

TRANSPORTATION
Bus transportation is provided for eligible students residing within LISD. School bus drivers are responsible for the safe operation of their buses and have the authority to enforce rules and procedures to ensure that safety. Transportation questions should be directed to LISD’s Transportation Department at 512-570-0700.

AFTER-SCHOOL CARE
The Twin Lakes Family YMCA of Greater Williamson County provides on-site after-school child care. The YMCA program serves children K-5th grade, with care available from the end of the school day through 6:30 p.m. on regular school days. Fee assistance is available to families who qualify based on their gross monthly income and number in household. Further information is available at 512-250-9622.
Glossary of Terms

The following explanations of terms are presented to aid in understanding the narrative discussions and illustrations included in this text and the terminology generally used in governmental accounting, auditing, financial reporting and budgeting. Because this glossary is reprinted from the Government Finance Association’s Governmental Accounting and Financial Reporting, the terms and explanations have not been modified to reflect specific Texas school district issues, etc. Synonyms for specific terms also may be presented in this appendix. In such instances, the abbreviation "syn." is used before the term.

ACCOUNTABILITY. Being obliged to explain one’s actions, to justify what one does. Accountability requires governments to answer to the citizenry—to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the belief that the citizenry has a “right to know,” a right to receive openly declared facts that may lead to public debate by the citizens and their elected representatives. [SGAC1]

ACCOUNTING PRINCIPLES BOARD (APB). Authoritative private-sector standard-setting body that preceded the FASB. The APB issued guidance in the form of Opinions.

ACCOUNTING STANDARDS EXECUTIVE COMMITTEE (AcSEC). An AICPA committee that is authorized to issue Practice Bulletins. A Practice Bulletin specifically targeted to state and local governments and cleared by the GASB would enjoy “level 2” status on the hierarchy of authoritative sources of GAAP established by SAS No. 69, The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report.

ACCRUAL BASIS OF ACCOUNTING. A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

ACQUISITION COSTS. Term used in connection with public-entity risk pools. Costs that vary with and are primarily related to the acquisition of new and renewal contracts. Commissions and other costs (e.g., salaries of certain
employees involved in the underwriting and policy issue functions, and inspection fees) that are primarily related to contracts issued or renewed during the period in which the costs are incurred are considered to be acquisition costs [SGAS 10]

**ACTIVITY.** A specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible (e.g., police is an activity within the public safety function).

**ACTUARIAL ACCRUED LIABILITY.** Term used in connection with defined benefit pension plans. That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension plan benefits and expenses which is not provided for by future normal costs. [SGAS 25]

**ACTUARIAL ASSUMPTIONS.** Term used in connection with defined benefit pension plans. Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and government-provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the actuarial value of assets; characteristics of future entrants for open group actuarial cost methods; and other relevant items. [SGAS 25]

**ACTUARIAL COST METHOD.** Term used in connection with defined benefit pension plans. A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a normal cost and an actuarial accrued liability. [SGAS 25]

**ACTUARIAL SECTION.** One of five sections of a comprehensive annual financial report of a public employee retirement system. The contents of this section typically include the actuary’s certification letter, a summary of actuarial assumptions and methods, a schedule of active member valuation data, a schedule of retirants and beneficiaries added to and removed from rolls, a solvency test, an analysis of financial experience, an independent actuarial review opinion (if available), and a discussion of changes in plan provisions (if the plan has been amended).

**ACTUARIAL VALUE OF ASSETS.** Term used in connection with defined benefit pension plans. The value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation. The actuarial value of assets, which may represent an average value over time, normally differs from the amount reported in the financial statements, which is a point-in-time measure (i.e., as of the date of the statement of net assets). [SGAS 25]
ADDITIONS. Term used to describe increases in the net assets of fiduciary funds.

ADVANCE REFUNDING. A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date. An advance refunding occurs before the maturity or call date of the old debt, and the proceeds of the new debt are invested until the maturity or call date of the old debt. Most advance refundings result in defeasance of debt. [SGAS 7]

ADVERSE OPINION. Term used in connection with auditing. Conclusion in the independent auditor’s report that financial statements are not fairly presented.

AGENCY FUNDS. One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations or other governments. [SGAS 34]

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN. An aggregation of single-employer plans, with pooled administrative and investment functions. Separate accounts are maintained for each employer so that the employer’s contributions provide benefits only for the employees of that employer. A separate actuarial valuation is performed for each individual employer’s plan to determine the employer’s periodic contribution rate and other information for the individual plan, based on the benefit formula selected by the employer and the individual plan’s proportionate share of the pooled assets. The results of the individual valuations are aggregated at the administrative level. [SGAS 27]

AGGREGATE ACTUARIAL COST METHOD. Term used in connection with defined benefit pension plans. A method under which the excess of the actuarial present value of projected benefits of the group included in an actuarial valuation over the actuarial value of assets is allocated on a level basis over the earnings or service of the group between the valuation date and assumed exit. This allocation is performed for the group as a whole, not as a sum of individual allocations. That portion of the actuarial present value allocated to a valuation year is called the normal cost. The actuarial accrued liability is equal to the actuarial value of assets. [SGAS 25]

ALLOCATED CLAIMS ADJUSTMENT EXPENSES. Term used in connection with risk financing activities. Expenses associated directly with specific claims paid or in the process of settlement, such as legal and adjusters’ fees. [SGAS 10]
**ALLOTMENT.** Portion of an annual or biennial budget appropriation allocated to an interim period.

**ANALYTICAL REVIEW.** Term used in connection with auditing. The process of attempting to determine the reasonableness of financial data by comparing their behavior with other financial and nonfinancial data.

**ANNUAL COVERED PAYROLL.** Term used in connection with defined benefit pension plans. All elements included in annual compensation paid to active employees on which contributions to a pension plan are based. [SGAS 27]

**ANNUAL REQUIRED CONTRIBUTION (ARC).** Term used in connection with defined benefit pension plans. The employer’s mandated contribution for the year, calculated in accordance with certain parameters. The parameters include requirements for the frequency and timing of actuarial valuations as well as for the actuarial methods and assumptions that are acceptable for financial reporting. [SGAS 27]

**APPROPRIATED BUDGET.** The expenditure authority created by the appropriation bills or ordinances that are signed into law and related estimated revenues. The appropriated budget would include all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes. [NCGA Interpretation 10]

**ARBITRAGE.** Classically, the simultaneous purchase and sale of the same or an equivalent security in order to profit from price discrepancies. In government finance, the most common occurrence of arbitrage involves the investment of the proceeds from the sale of tax-exempt securities in a taxable money market instrument that yields a higher rate, resulting in interest revenue in excess of interest costs.

**ASSESSED VALUATION.** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**ASSET ALLOCATION.** Term used in connection with pension plans. The process of determining which types of investments are to be included and the percentages that they are to comprise in an overall investment portfolio.

**ATTAINED AGE ACTUARIAL COST METHOD.** Term used in connection with defined benefit pension plans. A method under which the excess of the actuarial present value of projected benefits over the actuarial accrued liability in respect to each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between the valuation date and assumed exit. The portion of this actuarial present value that is allocated to a valuation year is called the normal cost. The actuarial accrued liability is determined using the unit credit actuarial cost method. [SGAS 25]
AUDIT COMMITTEE. A group of individuals, selected by the governing body, having specific responsibility for addressing all issues related to the independent audit of the financial statements.

AUDIT SCOPE. In the contest of a financial statement audit, the coverage provided by the independent auditor’s opinion on the financial statements.

AUDITOR ROTATION. Policy that a government periodically change the independent auditor of its financial statements.

AUDITOR’S REPORT ON INTERNAL CONTROLS AND COMPLIANCE OVER FINANCIAL REPORTING. Report issued in conjunction with a financial audit performed in accordance with GAGAS. In this report, the independent auditor reports on internal control weaknesses and instances of noncompliance discovered in connection with the financial audit, but does not offer an opinion on internal controls or compliance.

AUDIT GUIDES. A series of AICPA publications that enjoy “level 2” status on the hierarchy of authoritative sources of GAAP established by SAS No. 69, The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report, when they are specific to state and local government and cleared by the GASB.

AVAILABILITY CRITERION. Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. [NCGA Statement 1]

AVAILABILITY PERIOD. A specified period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognized in accordance with the availability criterion of modified accrual accounting.

BANK HOLDING COMPANY. A company that controls one or more banks and may own subsidiaries with operations closely related to banking. When branch banking was severely limited, bank holding company statutes allowed banking systems to develop by permitting common ownership of several banks. Generally, the Bank Holding Company Act provides that a holding company has control over a bank if it owns, controls, or holds 25 percent or more of the voting stock of the bank. [TB 97-1]

BANK INVESTMENT CONTRACTS. A separate account at a financial institution that functions like a guaranteed investment contract.
**BANKERS’ ACCEPTANCES.** Short-term, noninterest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value. Bankers’ acceptances generally are created based on a letter of credit issued in a foreign trade transaction. [SGAS 31]

**BANKING POOLS.** One of four different types of public-entity risk pool. An arrangement by which monies are made available for pool members in the event of loss on a loan basis. [SGAS 10]

**BASIC FINANCIAL STATEMENTS.** The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.

**BASIS DIFFERENCES.** Differences that arise through the employment of a basis of accounting for budgetary purposes that differs from the basis of accounting prescribed by GAAP for a given fund type. [NCGA Interpretation 10]

**BASIS OF ACCOUNTING.** The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus because of a particular timing of recognition is necessary to accomplish a particular measurement focus. [SGAS 11]

**BETTERMENT.** An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset. The term *improvement* is preferred.

**BLENDING.** The method of reporting the financial data of a component unit that presents the component unit’s balances and transactions in a manner similar to the presentation of the balances and transactions of the primary government. [SGAS 14]

**BLUE BOOK.** A term commonly used to designate the Government Finance Officers Association’s publication *Governmental Accounting, Auditing, and Financial Reporting*.

**BOND ANTICIPATION NOTE.** Short-term interest-bearing note issued by a government in anticipation of bond proceeds to be received at a later date. The note is retired from proceeds of the bonds to which it is related.

**BOOK-ENTRY SYSTEM.** A system that eliminates the need for physically transferring bearer-form paper or registering securities by using a central depository facility. [SGAS 3]
BUDGETARY BASIS OF ACCOUNTING. The method used to determine when revenues and expenditures are recognized for budgetary purposes.

BUDGETARY ACCOUNTS. Special accounts used to achieve budgetary integration, but not reported in the general-purpose external financial statements. By convention, ALL CAPS commonly are used to designate budgetary accounts. The most common budgetary accounts are ESTIMATED REVENUES, APPROPRIATIONS, BUDGETARY FUND BALANCE, and ENCUMBRANCES.

BUDGETARY GUIDELINES. Recommendations on budgeting issued by the National Advisory Council on State and Local Budgeting (NACSLB). The NACSLB’s budgetary guidelines are chiefly of interest to accountants because of the emphasis they place on performance measurement in the context of the budgetary process.

BUDGETARY INTEGRATION. The management control technique by which the annual operating budget is recorded in the general ledger through the use of budgetary accounts. Budgetary integration is intended to facilitate control over revenues and expenditures during the year.

BUDGETARY JOURNAL ENTRIES. Journal entries involving budgetary accounts, Budgetary journal entries arise in connection with budgetary integration.

BUDGETARY REPORTING. The requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund and individual major special revenue funds with legally adopted annual budgets. Budgetary reporting also is required within the comprehensive annual financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.

BUSINESS-TYPE ACTIVITIES. One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds. [SGAS 34]

CALL OPTIONS. A contract giving the buyer (owner) the right, but not the obligation, to purchase from (call option) the seller (writer) of the contract a fixed number of items (such as shares of equity securities) at a fixed or determinable “strike” price on a given date or at any time on or before a given date. [SGAS 31]
CAPITAL AND RELATED FINANCING ACTIVITIES. Term used in connection with cash flows reporting. Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. [SGAS 9]

CAPITAL ASSETS. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. [SGAS 34]

CAPITAL PROJECTS FUND. Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds.) [NCGA Statement 1]

CAPITALIZATION CONTRIBUTION. Term used in connection with public-entity risk pools. A contribution to meet initial or ongoing capital minimums established by statute, regulation, or the pooling agreement itself. Capitalization contributions generally take the form of cash. [IGAS 4]

CAPITALIZATION THRESHOLD. The dollar value at which a government elects to capitalize tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPPING. Term used in connection with municipal solid-waste landfills (MSWLF). The cost of final cover expected to be applied near or after the date that the MSWLF stops accepting solid waste. [SGAS 18]

CASH. The term, as used in connection with cash flows reporting, includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. [SGAS 9]

CASH BASIS OF ACCOUNTING. Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.
CASH EQUIVALENT. Term used in connection with cash flows reporting. Short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose “original maturity” means the original maturity to the entity holding the investment. [SGAS 9]

CEDED PREMIUMS/CLAIMS COSTS. Terms used in connection with public-entity risk pools. Ceded premiums are those transferred to another enterprise in connection with a reinsurance arrangement. Ceded claims costs are those transferred to another enterprise through reinsurance.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. Program sponsored by the Government Finance Officers Association to encourage and assist state and local governments to prepare high-quality comprehensive annual financial reports. The program has been in continuous operation since 1946. The program originally was known as the Certificate of Conformance Program.

CHARACTER CLASSIFICATION. Expenditure classification according to the periods expenditures are presumed to benefit. The four character groupings are (a) current operating expenditures, presumed to benefit the current fiscal period; (b) debt service, presumed to benefit prior fiscal periods as well as current and future periods; (c) capital outlays, presumed to benefit the current and future fiscal periods, and (d) intergovernmental, when one government transfers resources to another.

CLAIMS-MADE POLICY. Term used in connection with public-entity risk pools. A type of policy that covers losses from claims asserted (reported or filed) against the policyholder during the policy period, regardless of whether the liability-imposing events occurred during the current or any previous period in which the policyholder was insured under the claims-made contract or other specified period before the policy period (the policy retroactive date). [SGAS 10]

CLAIMS-SERVICING POOL. One of four different types of public entity risk pools. An arrangement by which a pool manages separate accounts for each pool member from which the losses of that member are paid. Also referred to as “account pool.” [SGAS 10]

CLASSIFIED PRESENTATION. The separate presentation on the statement of position of the current and long-term portions of assets and liabilities. A classified presentation is required for the proprietary fund statement of net assets.
CLOSED AMORTIZATION PERIOD. Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth. [SGAS 25]

CLOSED-END MUTUAL FUND. An SEC-registered investment company that issues a limited number of shares to investors that are then traded as an equity security on a stock exchange. [SGAS 31]

COLLATERAL. Term used in connection with deposits with financial institutions. Security pledged by a financial institution to a governmental entity for its deposit. [SGAS 3]

COLLATERAL POOL. A single financial institution collateral pool is a group of securities pledged by a single financial institution against all the public deposits it holds. A multiple financial institution collateral pool is a group of securities pledged by various financial institutions to provide common collateral for their deposits of public funds. In such a collateral pool, the assets of the pool and the power to make additional assessments against the members of the pool, if necessary, insure there will be no loss of public funds because of the default of a member. [SGAS 3]

COMBINING FINANCIAL STATEMENTS. Financial statements that report separate columns for individual funds or component units. Combining financial statements normally are required in a comprehensive annual financial report to support each column in the basic financial statements that aggregates information from more than one fund or component unit.

COMMERCIAL PAPER. An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

COMMITTEE ON ACCOUNTING PROCEDURE (CAP). Authoritative private-sector standard-setting body that preceded the Accounting Principles Board and the FASB. The CAP issued guidance in the form of Accounting Research Bulletins.

COMMODITIES PROGRAMS. The distribution of surplus agricultural products as a form of assistance.

COMPARABILITY. The principle according to which differences between financial reports should be due to substantive differences in the underlying transactions or the governmental structure rather than due to selection of different alternatives in accounting procedures or practices. [SGAC 1]
COMPARATIVE DATA. Information from prior fiscal periods provided to enhance the analysis of financial data in the current fiscal period.

COMPARATIVE FINANCIAL STATEMENTS. Financial statements providing all of the information required by GAAP for two or more fiscal periods.

COMPLIANCE SUPPLEMENT. Term used in connection with Single Audits. A publication of the U.S. Office of Management and Budget outlining compliance requirements for federal awards programs. The publication is designed to assist independent auditors performing Single Audits.

COMPONENT UNIT. A legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. [SGAS 14]

COMPOSITE DEPRECIATION METHODS. Depreciation methods applied to groups of assets rather than to individual assets.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit’s official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data. The CAFR of a public employee retirement system or an investment pool also should provide information on investments. Likewise, the CAFR of a public employee retirement system should provide actuarial information.

COMPREHENSIVE FRAMEWORK OF INTERNAL CONTROLS. A structure of internal controls that provides for (a) a favorable control environment, (b) the continuing assessment of risk, (c) the design, implementation, and maintenance of effective control-related policies and procedures, (d) the effective communication of information, and (e) the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.
CONDENSED FINANCIAL STATEMENTS. Abbreviated financial statements sometimes required by GAAP to be presented within the notes to the financial statements in connection with component units, external investment pools, and segments. In addition, GAAP prescribe the presentation of condensed financial information for the prior fiscal year as part of management’s discussion and analysis.

CONDUIT DEBT. Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer’s financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. [IGAS 2]

CONNECTION FEES. Fees charged to join or to extend an existing utility system. Often referred to as tap fees or system development fees.

CONSISTENCY. The principle according to which once an accounting principle or reporting method is adopted, it will be used for all similar transactions and events. The concept of consistency in financial reporting extends to many areas such as valuation methods, basis of accounting, and determination of the financial reporting entity. [SGAC 1]

CONTROL CYCLE. Term used in connection with the evaluation of internal controls. A series of logically connected transactions/processes and associated control-related policies and procedures.

COST-REIMBURSEMENT BASIS. Term used in connection with internal service funds. The setting of charges so that costs are systematically recovered on a break-even basis over time.

COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN. A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer. [SGAS 25]

COUNTERPARTY. Term used in connection with custodial credit risk. Another party to a transaction. In the case of deposits and investments made by governmental entities, a counterparty could be the issuer of security, a financial institution holding a deposit, a broker-dealer selling securities, or a third party holding securities or collateral. [SGAS 3]
CROSSOVER REFUNDING. A type of advance refunding in which the escrow established with the proceeds of the refunding bonds only begins to secure repayment of the refunded debt at some designated future time, known as the “crossover date”.

CURRENT COSTS. Term used in connection with municipal solid-waste landfills. The amount that would be paid if all equipment, facilities, and services included in the estimate of closure and postclosure care costs were acquired during the current period. [SGAS 18]

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and used solely for reporting the financial position and results of operations of governmental funds.

CURRENT REFUNDING. A refunding transaction in which the proceeds of the refunding debt are applied immediately to redeem the debt to be refunded. This situation differs from an advance refunding, where the proceeds of the refunding bonds are placed in escrow pending the call date or maturity of the debt to be refunded.

CUSTODIAL CREDIT RISK. The risk that a government will not be able (a) to recover deposits if the depository financial institution fails or (b) to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. [SGAS 3, Q&A]

DEBT SERVICE FUND. Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. [NCGA statement 1]

DEDUCTION. Term used in connection with fiduciary funds. Decrease in the net assets of a fiduciary fund.

DEFEASANCE. In financial reporting, the netting of outstanding liabilities and related assets on the statement of position. Defeased debt is no longer reported as a liability on the face of the statement of position; only the new debt, if any, is reported as a liability. Most refundings result in the defeasance of the refunded debt. Defeasance also is sometimes encountered in conjunction with annuity contracts purchased in connection with lottery prizes and settlements of claims and judgments.
DEFERRED REVENUE. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period time; the amount of specified usually is a function of one or more factors such as age, years of service, and compensation. [SGAS 25]

DEFINED CONTRIBUTION PENSION PLAN. A pension plan having terms that specify how contributions to a plan member’s account are to be determined, rather than the amount of retirement income the member is to receive. The amounts received by a member will depend only on the amount contributed to the member’s account, earnings on investments of those contributions, and forfeitures of contributions made for other members that may be allocated to the member’s account. [SGAS 25]

DEMAND BONDS. Long-term debt issuances with demand (“put”) provisions that require the issuer to repurchase the bonds upon notice from the bondholder at a price equal to the principal plus accrued interest. To assure its ability to redeem the bonds, issuers of demand bonds frequently enter into short-term standby liquidity agreements and long-term “take out” agreements. [IGAS 1]

DERIVATIVE. Contract whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. The term also is applied to similar transactions, such as structured financial instruments (for example, mortgage-backed securities). [TB 94-1]

DERIVED TAX REVENUES. Nonexchange revenues that result from assessments imposed on exchange transactions (for example, income taxes, sales taxes, and other assessments on earnings or consumption). [SGAS 33]

DESIGNATED UNRESERVED FUND BALANCE. Management’s intended use of available expendable financial resources in governmental funds reflecting actual plans approved by the government’s senior management. Expressed another way, designations reflect a government’s self-imposed limitations on the use of otherwise available expendable financial resources in governmental funds.

DEVELOPER FEES. Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks, sidewalks).

DIRECT COSTING. Term used in connection with the valuation of capital assets. Use of source data (e.g., invoices) to establish the historical cost of a capital asset.
DIRECT DEBT. Debt that is to be repaid by the reporting government itself rather than by an overlapping or underlying government.

DIRECT EXPENSE. Expense that is specifically associated with a service, program, or department and, thus, is clearly identifiable to a particular function. [SGAS 34]

DISALLOWED COSTS. Claims for grantor resources that have been rejected by the grantor. Disallowed costs are to be distinguished from questioned costs, which are potential disallowed costs that have not yet been rejected by the grantor.

DISCRETE PRESENTATION. Method of reporting financial data of component units in a column or columns separate from the financial data of the primary government. [SGAS 14]

DISCUSSION MEMORANDUM. A due-process document issued by the GASB soliciting comments from interested parties on various aspects of a technical issue that is the subject of research by the board.

DUE PROCESS. The procedures followed by the GASB to ensure that the views of all interested parties are solicited and considered prior to issuing an authoritative pronouncement. At a minimum, due process requires that all statements and interpretations be preceded by an exposure draft.

EARLY RECOGNITION OPTION. Term used in connection with debt service funds. The option to recognize an expenditure in the current period in a debt service fund for principal and interest payments due early in the subsequent period. This option is available only in situations involving the nondiscretionary transfer of resources to a debt service fund in the current period for payments due shortly after the end of the fiscal year (i.e., usually within one to several days, and never more than one month later).

ECONOMIC RESOURCES MEASUREMENT FOCUS. Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity’s net assets. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It also is used by business enterprises and not-for-profit organizations in the private sector.

EFFECTIVENESS. Term used in connection with the evaluation of internal controls and performance measurement. The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.
EFFICIENCY. Term used in connection with the evaluation of internal controls and performance measurement. The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

ELIGIBILITY REQUIREMENTS. Term used in connection with government-mandated and voluntary nonexchange transactions. Conditions established by the provider of resources stipulating matters such as the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies. [SGAS 33]

EMERGING ISSUES TASK FORCE. Group established under the auspices of an authoritative standard-setting body and authorized to publish consensus positions on technical issues not specifically addressed by that body. The GASB has not established an emerging issues task force, although it is empowered to do so.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. [NCGA Statement 1]

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. [SGAS 34]

ENTITY DIFFERENCES. A difference between the budgetary basis of accounting and GAAP arising because the appropriated budget either includes or excludes organizations, programs, activities, and functions which may or may not be compatible with the criteria defining the governmental reporting entity. [NCGA Interpretation 10]

ENTRY AGE ACTUARIAL COST METHOD. Term used in connection with defined benefit pension plans. A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. [SGAS 25]

EQUIVALENT SINGLE AMORTIZATION PERIOD. The weighted average of all amortization periods used when components of the total unfunded actuarial accrued liability are separately amortized and the average is calculated in accordance with the parameters. [SGAS 25]
ESCHEAT. The reversion of property to a governmental entity in the absence of legal claimants or heirs. The laws of many governmental entities provide that a rightful owner or heir can reclaim escheat property in perpetuity, provided the claimant can establish his or her right to the property. [SGAS 21]

ETHICS RULE 202. Ethics rule established by the AICPA that places upon auditors the burden of proof for justifying any material departures from the guidance found on levels 2, 3, or 4 of the GAAP hierarchy.

ETHICS RULE 203. Ethics rule established by the AICPA that makes it an ethical violation for an auditor to state that financial statements are “fairly presented in conformity with GAAP” if those statements materially violate standards issued by the FASB, the GASB, or the Federal Accounting Standards Advisory Board. A special exception applies when unusual circumstances would make the application of an authoritative standard misleading.

EXCHANGE TRANSACTIONS. Transaction in which each party receives and gives up essentially equal values. [SGAS 33]

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange. Examples include certain fees for regulatory or professional licenses and permits, certain tap fees, certain developer contributions, certain grants and donations, and other transactions that, regardless of the label applied to them, are based on an exchange of similar but not equal values. [SGAS 33]

EXPENDITURE-DRIVEN GRANTS. Government-mandated or voluntary nonexchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXPENDITURE. Decreases in net financial resources under the current financial resources measurement focus not properly classified as other financing uses.

EXPLICIT MEASURABLE EQUITY INTEREST. Term used in connection with joint ventures. Asset resulting from a stipulation in the joint venture agreement that the participants have a present or future claim to the net resources of the joint venture and setting forth the method to determine the participants’ shares of the joint venture’s net resources. [SGAS 14]

EXPOSURE DRAFT. A due-process document issued by the GASB soliciting comments from interested parties on a proposed authoritative pronouncement.

EXTERNAL AUDITORS. Independent auditors, typically engaged to conduct the audit of a government’s financial statements.
**FAIR VALUE.** Term used in connection with the valuation of investments. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. [SGAS 31]

**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD.** Authoritative standard-setting body responsible for establishing GAAP for the federal government.

**FIDUCIARY FUNDS.** Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. [SGAS 34]

**FINAL AMENDED BUDGET.** Term used in connection with budgetary reporting. The original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized. [SGAS 34]

**FINANCIAL ACCOUNTABILITY.** Term used in connection with the definition of the financial reporting entity. The level of accountability that exists if a primary government appoints a voting majority of an organization’s governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government. [SGAS 14]

**FINANCIAL ACCOUNTING FOUNDATION (FAF).** Not-for-profit organization responsible for overseeing the operations of both the GASB and the FASB.

**FINANCIAL ACCOUNTING STANDARDS ADVISORY COUNCIL (FASAC).** Advisory group that assists the FASB. The FASAC includes representatives of all of the FASB’s major constituents.

**FINANCIAL ACCOUNTING STANDARDS BOARD (FASB).** The authoritative accounting and financial reporting standard-setting body for business enterprises and not-for-profit organizations. The FASB is the direct successor of the Committee on Accounting Procedure and the Accounting Principles Board. The GASB and its predecessors have elected to apply a number of the FASB’s standards, as well as those of its predecessors, to state and local governments.
FINANCIAL AUDITS. Audits designed to provide independent assurance of the fair presentation of financial information.

FINANCIAL REPORTING ENTITY. A primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The nucleus of a financial reporting entity usually is a primary government. However, a governmental organization other than a primary government (such as a component unit, a joint venture, a jointly governed organization, or other stand-alone government) serves as the nucleus for its own reporting entity when it issues separate financial statements.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources also may include inventories and prepaids (because they obviate the need to expend current available financial resources).

FINANCIAL SECTION. One of the three basic sections of a comprehensive annual financial report. The financial section is used to present the independent auditor’s report on the financial statements, the basic financial statements (including the notes to the financial statements), required supplementary information, combining statements, individual fund statements and schedules, and supplementary information, as needed.

FINDING. Term used in connection with public-sector auditing. Published communication of an internal control weaknesses or instance of noncompliance in connection with an audit conducted in accordance with GAGAS.

FISCAL ACCOUNTABILITY. The responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public monies in the short term (usually one budgetary cycle or one year). This term is used in contrast to operational accountability. [SGAS 34]

FISCAL DEPENDENCE. Term used in connection with the definition of the financial reporting entity. Situation requiring the inclusion of a legally separate entity as a component unit within the financial reporting entity because the governing board of the primary government may arbitrarily override the financial decisions of the legally separate entity regarding (a) its budget, (b) the levying of taxes or the setting of rates or charges, or (c) the issuance of bonded debt.
**FISCAL FUNDING CLAUSE.** Term used in connection with capital leases. A clause in a lease agreement that generally provides that the lease is cancelable if the legislature or other funding authority does not appropriate the funds necessary for the government unit to fulfill its obligations under the lease agreement.

**FIVE PERCENT CRITERION.** Second of two tests used to determine whether a given governmental fund or enterprise fund must be reported as a major fund in the basic financial statements. This test is applied to the combined total assets, liabilities, revenues or expenses/expenditures of all governmental and enterprise funds for which the 10 percent criterion has been met.

**FIXED BUDGETS.** Term used in contrast with *flexible budgets*. Budgets that embody estimates of specific (fixed) dollar amounts. [NCGA Statement 1]

**FIXED COUPON REPURCHASE-REVERSE REPURCHASE AGREEMENT.** A repurchase agreement or a reverse repurchase agreement where the parties agree that the securities returned will have the same stated interest rate as, and maturities similar to, the securities transferred. [SGAS 3]

**FLEXIBLE BUDGETS.** Term used in contrast with *fixed budgets*. Budgets that embody dollar estimates that vary according to demand for the goods or services provided. [NCGA Statement 1]

**FOOD STAMPS.** A federal award program that is intended to improve the diets of members of low-income households by increasing their ability to purchase food. [SGAS 24]

**FORMULA GRANTS.** Government-mandated or voluntary nonexchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures.

**FROZEN ENTRY AGE ACTUARIAL COST METHOD.** Term used in connection with defined benefit pension plans. A method under which the excess of the actuarial present value of projected benefits of the group included in an actuarial valuation, over the sum of the actuarial value of assets plus the unfunded frozen actuarial accrued liability, is allocated on a level basis over the earnings or service of the group between the valuation date and assumed exit. This allocation is performed for the group as a whole, not as a sum of individual allocations. The frozen actuarial accrued liability is determined using the entry age actuarial cost method. The portion of this actuarial present value allocated to a valuation year is called the normal cost. [SGAS 25]

**FUNCTION.** A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).
FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations [NCGA Statement 1]

FUNDAMENTAL ANALYSIS. A method of estimating the fair value of a security when it is thinly traded or when quoted market prices are not available. Fundamental analysis considers assets, liabilities, operating statement performance, management, and economic environment of the issuer in estimating a fair value. [SGAS 31, Q&A]

FUND BALANCE. The difference between assets and liabilities reported in a governmental fund.

FUND CLASSIFICATIONS. One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with government-wide financial statements.

FUND TYPE. One of 11 classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary fund types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

FUNDED MANDATE. Also known as a government-mandated nonexchange transaction. A situation where a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform). [SGAS 33]

FUNDED RATIO. The actuarial value of assets expressed as a percentage of the actuarial accrued liability. [SGAS 25]

GAAFR. The acronym for Governmental Accounting, Auditing, and Financial Reporting, a publication of the Government Finance Officers Association. Also known as the Blue Book, various editions of this book have been published since the mid 1930s.
GAAP HIERARCHY. An authoritative list of the sources of GAAP. The GAAP hierarchy for state and local governments is set forth in SAS No. 69, *The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report.*

GENERAL ACCOUNTING OFFICE (GAO). The investigative arm of the U.S. Congress charged with improving the performance and accountability of the federal government. In the context of accounting, auditing, and financial reporting for state and local governments, the GAO is best known for issuing *Government Auditing Standards*, which are the source of GAGAS.

GENERAL FUND. The general fund is one of five governmental fund types and typically serves as the chief operating fund of a government. The general fund is used to account for all financial resources except those required to be accounted for in another fund. [NCGA Statement 1]

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax—for example, sales tax, property tax, franchise tax, income tax. All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues. [SGAS 34]

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local government are set forth by SAS No. 69, *The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report.*

GENERALLY ACCEPTED AUDITING STANDARDS (GAAS). The rules and procedures that govern the conduct of a financial audit. There are ten basic GAAS classed into three broad categories: general standards, standards of fieldwork, and standards of reporting. The Auditing Standards Board of the AICPA publishes SASs and related interpretations to comment and expand upon these basic standards.
GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS). Standards for the conduct and reporting of both financial and performance audits in the public sector. The General Accounting Office promulgates GAGAS through its publication Government Auditing Standards, commonly known as the Yellow Book. The basic GAGAS standards are classed into three broad categories: general standards, fieldwork standards, and reporting standards. The general standards of GAGAS apply to both financial audits and performance audits. GAGAS establish separate fieldwork and reporting standards for financial audits and performance audits. The fieldwork standards and reporting standards used for financial audits build upon the standards of fieldwork and the standards of reporting of GAAS.

GOVERNMENTAL EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the monies of more than one legally separate entity and invests, on the participants’ behalf, in an investment portfolio (one or more of the participants not being part of the sponsor’s reporting entity). An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool. [SGAS 31]

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA). An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local government since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

GOVERNMENTAL ACCOUNTING STANDARDS ADVISORY COUNCIL (GASAC). An advisory body established to assist the GASB. The membership of the GASAC represents all major groups with an interest in accounting and financial reporting for state and local governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA.

GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING (GAAFR). A publication of the Government Finance Officers Association. Also known as the Blue Book, various editions have been published since the mid 1930s.
GOVERNMENTAL ACTIVITIES. Activities generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. These activities are usually reported in governmental funds and internal service funds. [SGAS 34]

GOVERNMENTAL ENTITY. For accounting and financial reporting purposes, an entity subject to the hierarchy of GAAP applicable to state and local governmental units. The criteria used to distinguish governmental entities from nongovernmental entities are set forth in the AICPA’s *Audits of State and Local Governmental Units*.

GOVERNMENTAL FINANCIAL REPORTING MODEL. The minimum combination of financial statements, note disclosures, and required supplementary information prescribed for state and local governments by the GASB.

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS. Transactions that occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform). [SGAS 33]

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government’s governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

GRANT ANTICIPATION NOTE. Short-term, interest-bearing note issued by a government in anticipation of a grant to be received at a later date. The note is retired from proceeds of the grant to which it is related.

GUARANTEED INVESTMENT CONTRACT. A group annuity contract designed to provide guarantees of principal and interest on funds deposited with an insurance company for a specified period.

IMPACT FEES. Fees charged to developers to cover, in whole or in part, the anticipated cost of improvements that will be necessary as a result of the development (e.g., parks, sidewalks).
IMPLEMENTATION GUIDES. Guidance on the proper implementation of authoritative accounting and financial reporting standards issued by the staff of the GASB. Implementation guides use a question-and-answer format and enjoy “level 4” status on the hierarchy of GAAP for state and local governments established by the AICPA’s SAS No. 69, *The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report.*

IMPOSED NONEXCHANGE REVENUES. Revenues that result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (for example, property taxes and fines). [SGAS 33]

IMPROVEMENT. An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

“IN-RELATION-TO” OPINION. An indication in the independent auditor’s report that the auditor does not render an opinion on the fair presentation *per se* of certain information contained in the financial report (e.g., combining and individual fund financial statements), but does assert that the information in question is fairly presented *in relation to* the audited financial statements.

INCURRED BUT NOT REPORTED (IBNR) CLAIMS. Term used in connection with risk financing. Claims for insured events that have occurred but have not yet been reported to the governmental entity, public entity risk pool, insurer, or reinsurer as of the date of the financial statements. IBNR claims include (a) known loss events that are expected to be presented later as claims, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. [SGAS 10]

INDEPENDENT AUDITOR. Auditors who are independent, both in fact and appearance, of the entities they audit. Both GAAS and GAGAS set specific criteria that must be met for an auditor to be considered to be independent.

INDEPENDENT AUDITOR’S REPORT. The official written communication of the results of an audit. In a financial audit, the independent auditor’s report typically will offer (or disclaim) an opinion on whether a set of financial statements is fairly presented in conformity with GAAP (or some other comprehensive basis of accounting).

INDIRECT EXPENSES. Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category. [SGAS 34]
INDIVIDUAL INVESTMENT ACCOUNTS. An investment service provided by a governmental entity for other, legally separate entities that are not part of the same reporting entity. With individual investment accounts, specific investments are acquired for individual entities and the income from and changes in the value of those investments affect only the entity for which they were acquired. [SGAS 31]

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. [SGAS 34]

IN-SUBSTANCE DEFEASANCE OF DEBT. A situation that occurs when debt is considered defeased for accounting and financial reporting purposes, even though a legal defeasance has not occurred. When debt is defeased, it is no longer reported as a liability on the face of the statement of position; only the new debt, if any, is reported as a liability. [SGAS 7]

INSURED DEFINED BENEFIT PENSION PLAN. A pension financing arrangement whereby an employer accumulates funds with an insurance company, while employees are in active service, in return for which the insurance company unconditionally undertakes a legal obligation to pay the pension benefits of those employees or their beneficiaries, as defined in the employer’s plan. [SGAS 27]

INTEGRATED BUDGET. A situation in which the accounting system has been designed to automatically provide timely budgetary information concerning the uncommitted balance of appropriations and unrealized revenues.

INTERFUND ACTIVITY. Activity between funds of the primary government, including blended component units. Interfund activities are divided into two broad categories: reciprocal and nonreciprocal. Reciprocal interfund activity comprises interfund loans and interfund services provided and used. Nonreciprocal interfund activity comprises interfund transfers and interfund reimbursements.

INTERFUND LOANS. Amounts provided between funds and blended component units of the primary government with a requirement for repayment. [SGAS 34]

INTERFUND REIMBURSEMENTS. Repayments from the funds or blended component units of the primary government responsible for particular expenditures or expenses to the funds or blended component units of the primary government that initially paid for them. [SGAS 34]
INTERFUND SERVICES PROVIDED AND USED. Sales and purchases of goods and services between funds and blended component units of the primary government for a price approximating their external exchange value. [SGAS 34]

INTERFUND TRANSFERS. Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment. [SGAS 34].

INTERNAL AUDITING. An appraisal of the diverse operations and controls within a government entity to determine whether acceptable policies and procedures are followed, established standards are met, resources are used efficiently and economically, and the organization’s objectives are being achieved. The term covers all forms of appraisal of activities undertaken by auditors working for and within an organization.

INTERNAL CONTROL FRAMEWORK. An integrated set of policies and procedures designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government’s internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) must provide for the design, implementation, and maintenance of effective control-related policies and procedures, (d) must provide for the effective communication of information, and (e) must provide for the ongoing monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

INTERNAL FINANCIAL REPORTING. Financial reporting specifically designed to meet the needs of management.

INTERNAL SERVICE FUNDS. Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. [SGAS 34]

INTRODUCTORY SECTION. The first of three essential components of any comprehensive annual financial report. The introductory section typically provides general information on a government’s structure and personnel as well as information useful in assessing the government’s financial condition. The contents of the introductory section normally fall outside the scope of the independent audit of the financial statements.

INVESTING ACTIVITIES. Term used in connection with cash flows reporting. Investing activities include making and collecting loans (except program loans) and acquiring and disposing of debt or equity instruments. [SGAS 9]
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT. One of three components of net assets that must be reported in both government-wide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets of the government.

INVESTMENT SECTION. One of the sections of a comprehensive annual financial report for an investment pool or public employee retirement system.

INVESTMENT TRUST FUNDS. Fiduciary fund type used to report governmental external investment pools in separately issued reports and the external portion of these same pools when reported by the sponsoring government. [SGAS 34]

INVITATION TO COMMENT. A due-process document that may be released by the GASB to solicit the views of interested parties on a topic under study by the board prior to the release of an exposure draft.

JOINT VENTURE. A legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the joint venture participants directly, or for the benefit of the public or specific service recipients. [SGAS 14]

JOINTLY GOVERNED ORGANIZATION. A regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. [SGAS 14]

LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS. Costs incurred to provide for the protection of the environment that occur near or after the date that a municipal solid-waste landfill stops accepting solid waste and during the postclosure period. Closure and postclosure care costs include the cost of equipment and facilities (e.g., leachate collection systems and final cover) as well as the cost of services (e.g., postclosure maintenance and monitoring costs). [SGAS 18]
LAPSE PERIOD. A specified time at the beginning of a given budget period during which encumbrances outstanding at the end of the prior budget period may be liquidated using the prior year’s budgetary authority. Many governments avoid the use of a lapse period by automatically appropriating as part of each new budget an amount sufficient to cover encumbrances outstanding at the end of the prior budget period.

LEGAL DEBT MARGIN. The excess of the amount of debt legally authorized over the amount of debt outstanding.

LEGAL DEFEASANCE. A situation that occurs when debt is legally satisfied based on certain provisions in the debt instrument even though the debt is not actually paid. When debt is defeased, it is no longer reported as a liability on the face of the statement of position; only the new debt, if any, is reported as a liability. [SGAS 7]

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which a government’s management may not reallocate resources without special approval from the legislative body.

LENT SECURITIES. The securities lent by the lender to the borrower in a securities lending transaction. Also referred to as underlying securities. [SGAS 28]

LEVEL (1-4) GUIDANCE. In the context of the hierarchy of GAAP for state and local governments, a reference to the relative authority of a given source of GAAP guidance.

LEVEL OF EFFORT REQUIREMENTS. A requirement that a grant recipient not use grant resources to reduce its own participation in a given program or activity.

LIEN DATE. For property (ad valorem) taxes, the date when an enforceable legal claim to taxable property arises. Generally the lien date is specified in the relevant enabling legislation. Many governments use the term lien date even though a lien is not formally placed on the property at that date. Alternatively, the term assessment date is used to describe this same date. [SGAS 33]

LOAN PREMIUM OR FEE. Term used in connection with securities lending arrangements. Payments from the borrower to the lender as compensation for the use of the underlying securities when the borrower provides securities or letters of credit as collateral. [SGAS 28]
**MAJOR FUND.** A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government’s officials believe that fund is particularly important to financial statement users. [SGAS 34]

**MAJOR PROGRAM.** Term used in the context of Single Audits. As part of the Single Audit, the independent auditor must gain an understanding of internal controls over compliance for each major federal award program and then test those controls. In addition, the independent auditor must render an opinion on whether the government complied with laws, regulations, and provisions of contracts or grant agreements that could have a direct and material effect on each major federal award program.

**MANAGEMENT LETTER.** A term used in connection with the independent audit of the financial statements. A formal communication by the auditor to management that focuses on internal control weaknesses discovered in the course of the audit of the financial statements. A management letter typically would be redundant in an audit conducted in accordance with GAGAS, which require that the independent auditor publish internal control weaknesses and instances of noncompliance in conjunction with a formal report on internal controls and compliance. The management letter, as just described, should be distinguished from the management *representation* letter. The latter is a communication by management to the independent auditor in which management takes formal responsibility for the fair presentation of the financial statements and makes certain specific representations regarding their contents.

**MANAGEMENT’S DISCUSSION AND ANALYSIS.** A component of required supplementary information used to introduce the basic financial statements and provide an analytical overview of the government’s financial activities. [SGAS 34]

**MATCHING REQUIREMENT.** A requirement that a grant recipient contribute resources to a program that equal or exceed a predetermined percentage of amounts provided by the grantor.

**MATERIAL WEAKNESS.** A reportable condition (internal control weakness) of such magnitude that it could potentially result in a material misstatement of the financial statements.
MATERIALITY. The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.2

MATRIX PRICING. A method of estimating the fair value of a security when it is thinly traded or when quoted market prices are not available. Matrix pricing estimates a security’s fair value by considering coupon interest rates, maturity, credit rating, and market indexes as they relate to the security being valued and to similar issues for which quoted prices are available. [SGAS 31, Q&A]

MEASUREMENT FOCUS. The objective of a measurement, that is, what is being expressed in reporting an entity’s financial performance and position. A particular measurement focus is accomplished by considering not only which resources are measured (for example, financial or economic resources), but also when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MODIFIED ACCRUAL BASIS OF ACCOUNTING. Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due. [NCGA Statement 1]

MODIFIED APPROACH. The election not to depreciate infrastructure assets that are part of a network or subsystem of a network that meet two specific requirements. First, the government manages the eligible infrastructure assets using an asset management system that has certain specified characteristics; second, the government documents that the eligible infrastructure assets are being preserved approximately at (or above) a condition level established and disclosed by the government. [SGAS 34]

MONEY MARKET INVESTMENT. A short-term, highly liquid debt instrument, including commercial paper, banker’s acceptances, and U.S. Treasury and agency obligations. Asset-backed securities, derivatives, and structured notes are not included in this term. [SGAS 31]

MULTI-PURPOSE GRANTS. Term used in connection with the identification of program revenues. Grants intended to finance activities reported in different functional categories in the government-wide statement of activities. Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as general revenues. [SGAS 34]
**Municipal Finance Officers Association.** Original name of the Government Finance Officers Association of the United States and Canada.

**Municipal Solid-Waste Landfill.** A discrete area of land or an excavation that receives household waste, and that is not a land application unit, surface impoundment, injection well, or waste pile, as those terms are defined in regulations of the Environmental Protection Agency. It may also receive other types of Resource Conservation and Recovery Act Subtitle D wastes, such as commercial solid waste, nonhazardous sludge, and industrial solid waste. The term *municipal* indicates the primary type of solid waste received by the landfill, not its ownership. [SGAS 18].

**National Advisory Council on State and Local Budgeting (NACSLB).** A working group created by eight public-sector organizations to establish a comprehensive framework for public-sector budgeting that could be used by state and local governments as an ideal against which to measure and improve the quality of their own budget practices. The Government Finance Officers Association has formally recommended the NACSLB’s guidelines to its members.

**National Committee on Municipal Accounting (NCMA).** A committee of the Municipal Finance Officers Association that served as the authoritative accounting and financial reporting standard-setting body for local governments prior to 1946. The NCMA was one of the predecessors of the GASB.

**National Committee on Governmental Accounting.** A committee of the Municipal Finance Officers Association that served as the authoritative accounting and financial reporting standard-setting body for local governments from the late 1940s until the establishment of the National Council on Governmental Accounting in the 1970s.

**National Council on Governmental Accounting (NCGA).** The immediate predecessor of the GASB as the authoritative accounting and financial reporting standard-setting body for state and local governments. The NCGA issued 7 statements and 11 interpretations prior to its dissolution in June 1984. These statements and interpretations remain effective unless superceded by a subsequent GASB pronouncement.

**Negotiable Certificates of Deposit.** Transferable certificates of deposit. Because they are transferable, negotiable certificates of deposit are subject to custodial credit risk.

**Net Cost.** Term used in the context of the government-wide statement of activities. The difference between functional expenses and program revenues.
NET GENERAL OBLIGATION DEBT. General obligation debt reduced by amounts being paid with other than general resources (e.g., general obligation debt associated with proprietary funds and special assessment debt), as well as amounts available in sinking funds for debt repayment.

NET PENSION OBLIGATION. Term used in connection with defined benefit pension plans. The cumulative difference between annual pension cost and the employer’s contributions to the plan, including the pension liability (asset) at transition to SGAS 27, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related debt. [SGAS 27]

NO-COMMITMENT SPECIAL ASSESSMENT DEBT. Special assessment debt that is secured solely by liens on assessed properties and resources provided from bond proceeds and is not backed by either the full faith and credit of the government or by any other type of general government commitment.

NONCAPITAL FINANCING ACTIVITIES. Term used in connection with cash flows reporting. Noncapital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction, or improvement of capital assets, regardless of the form of the borrowing. Also included are certain other interfund and intergovernmental receipts and payments. [SGAS 9]

NONEXCHANGE TRANSACTIONS. A transaction in which a government (including the federal government, as a provider) either gives value (benefit) to another party without directly receiving equal value in exchange or receives value (benefit) from another party without directly giving equal value in exchange. [SGAS 33]

NONFINANCIAL ASSETS. A term used in connection with the current financial resources measurement focus and the modified accrual basis of accounting. Assets that are expected to be used in the provision of goods or services rather than converted to cash. Financial statement preparers have the option of treating prepaid items and the inventories of supplies as either a financial asset (consumption method) or as a nonfinancial asset (purchases method).

NONOPERATING REVENUES AND EXPENSES. A term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. Revenues and expenses not qualifying as operating items, which typically include interest revenue and expense, taxes, and grants that are not equivalent to contracts for services.
NONPARTICIPATING INTEREST-EARNING INVESTMENT CONTRACTS. Investment contracts whose value is not affected by market (interest rate) changes (e.g., nonnegotiable certificates of deposit with redemption terms that do not consider market rates). This definition excludes investment contracts that are negotiable or transferable, or whose redemption value considers market rates. [SGAS 31]

NONRECIPROCAL INTERFUNDS ACTIVITY. The internal counterpart to nonexchange transactions. This category includes both interfund transfers and interfund reimbursements. [SGAS 34]

NORMAL COSTING. Term used in connection with the valuation of capital assets. Estimate of historical cost based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date of acquisition. That is, the historical cost of an asset is estimated by taking the value of acquiring the asset new today and then discounting that amount by an appropriate inflation factor back to the date of acquisition.

NORMALLY. Term used in connection with the application of the modified accrual basis of accounting to certain long-term liabilities. Specifically, certain accrued liabilities are recognized as expenditures in governmental funds only when they are normally expected to be liquidated with current available financial resources (e.g., compensated absences, claims and judgments, special termination benefits, landfill closure and postclosure care costs). For this purpose, the term normally should be interpreted from the perspective of the practice of state and local governments generally.

NUMBER OF FUNDS PRINCIPLE. The principle that only the minimum number of funds consistent with legal and operating requirements should be established, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration. [NCGA Statement 1]

OBJECT. A term used in connection with the classification of expenditures. The article purchased or the service obtained, rather than the purpose for which the article or service was purchased or obtained (e.g., personal services, contractual services, materials and supplies).
OBLIGATED IN SOME MANNER. Term used in connection with special assessment debt and the determination of the financial reporting entity. A government is obligated in some manner for debt if (a) it is legally obligated to assume all or part of the debt in the event of default or (b) the government may take certain actions to assume secondary liability for all or part of the debt—and the government takes, or has given indications that it will take, those actions. Stated differently, the phrase obligated in some manner is intended to include all situations other than those in which (a) the government is prohibited (by constitution, charter, statute, ordinance, or contract) from assuming the debt in the event of default or (b) the government is not legally liable for assuming the debt and makes no statement, or gives no indication, that it will, or may, honor the debt in the event of default. [SGAS 6]

OFFICE OF MANAGEMENT AND BUDGET (OMB). An agency of the federal government with regulatory oversight of Single Audits. In fulfillment of this responsibility the OMB has issued Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

ON-BEHALF PAYMENTS OF FRINGE BENEFITS AND SALARIES. Direct payments made by one entity (the paying entity or paying government) to a third-party recipient for the employees of another, legally separate entity (the employer entity or employer government). They include payments made by governmental entities on behalf of nongovernmental entities and payments made by nongovernmental entities on behalf of governmental entities, and may be made for volunteers as well as for paid employees of the employer entity. [SGAS 24]

OPEN AMORTIZATION PERIOD. Term used in connection with defined benefit pension plans. An open amortization period (open basis) is one that begins again or is recalculated at each actuarial valuation date. Within a maximum number of years specified by law or policy (for example, 30 years), the period may increase, decrease, or remain stable. [SGAS 25]

OPEN-END MUTUAL FUNDS. An open-end mutual fund is one that continuously offers its shares for sale to the public, compared with a closed-end company, which may issue only a limited number of shares. Mutual funds generally do not issue share certificates; instead, they send out periodic statements showing deposits, withdrawals, and dividends credited to the investor’s account. [SGAS 3]

OPERATING ACTIVITIES. Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. [SGAS 9]
OPERATING REVENUES AND EXPENSES. Term used in connection with the proprietary fund statement of revenues, expenses, and changes in net assets. The term is not defined as such in the authoritative accounting and financial reporting standards, although financial statement preparers are advised to consider the definition of operating activities for cash flows reporting in establishing their own definition. [SGAS 34]

OPERATIONAL ACCOUNTABILITY. Governments’ responsibility to report the extent to which they have met their operating objectives efficiently and effectively, using all resources available for that purpose, and whether they can continue to meet their objectives for the foreseeable future. [SGAS 34]

OPTION-ADJUSTED SPREAD MODELS. A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Such models measure the spread provided from a security that is an option or includes an option. Using a benchmarked yield curve, separate cash flows are discounted according to their maturity. The result is a spread when compared to yields for risk-free investments. [SGAS 31, Q&A]

OPTION CONTRACT. A contract giving the buyer (owner) the right, but not the obligation, to purchase from (call option) or sell to (put option) the seller (writer) of the contract a fixed number of items (such as shares of equity securities) at a fixed or determinable “strike” price on a given date or at any time on or before a given date. [SGAS 31]

OPTION-PRICING MODELS. A method of estimating the fair value of an option when it is thinly traded or when quoted market prices are not available. Under one such model (i.e., the Black-Scholes model) consideration is given to a security’s return, the risk-free interest rate, the time remaining until the option expires, and the relationship of the underlying security’s price to the strike price of the option. [SGAS 31, Q&A]

ORIGINAL BUDGET. The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances. [SGAS 34]

OTHER FINANCING SOURCE. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.
OTHER FINANCING USE. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

OTHER POSTEMPLOYMENT BENEFITS (OPEB). Postemployment benefits provided by an employer to plan participants, beneficiaries, and covered dependents through a plan or other arrangement that is separate from a plan to provide retirement income. OPEB also includes postemployment health care benefits provided through a public employee retirement system or pension plan. In addition to postemployment health care benefits (such as illness, dental, vision, and hearing), OPEB may include, for example, life insurance, disability income, tuition assistance, legal services, and other assistance programs. [SGAS 12]

OTHER SOURCES OF GAAP. Potential sources of accounting and financial reporting guidance that may be used in the absence of authoritative guidance on one of the four levels of the hierarchy of GAAP for state and local governments set forth in SAS No. 69, *The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report*. Examples of other sources of GAAP for state and local governments include concepts statements of the GASB, pronouncements of the FASB that are not authoritative for government, professional publications, textbooks, and position papers of professional organizations. GASB Concepts Statements take precedence as another source of GAAP.

OUTCOME MEASURES. Term used in connection with service efforts and accomplishments reporting. Indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes. [SGAC 2]

OUTPUT MEASURES. Term used in connection with service efforts and accomplishments reporting. Indicators that measure the quantity of services provided. Output measures include both measures of the quantity of service provided and measures of the quantity of a service provided that meets a certain quality requirement. [SGAC 2]

OVERLAPPING DEBT. Proportionate share that property within a government must bear of the debts of other local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessments receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, and to total assessments receivable, which will be used wholly or in part for this purpose.
OVERLAPPING GOVERNMENTS. All local governments located wholly or in part within the geographic boundaries of the reporting government.

PARTICIPATING INTEREST-EARNING INVESTMENT CONTRACTS. Interest-earning investment contracts whose value is affected by market (interest rate) changes (e.g., contracts that are negotiable or transferable, or whose redemption value considers market rates). [SGAS 31]

PASSENGER FACILITIES CHARGES (PFCs). A fixed fee authorized by the Federal Aviation Administration that airports may impose on each departing passenger for use in eligible construction projects or for related debt service. This charge is collected by whoever sells the ticket and then remitted to the airport.

PASS-THROUGH GRANTS. Grants and other financial assistance received by a governmental entity to transfer to or spend on behalf of a secondary recipient. [SGAS 24]

PAYMENT IN LIEU OF TAXES. A payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS. A fiduciary fund type used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. [SGAS 34]

PENSION COST. A measure of the periodic cost of an employer’s participation in a defined benefit pension plan. [SGAS 27]

PENSION OBLIGATION BONDS. Bonds issued by employers to finance one or more elements of their pension obligation to employees. Pension obligation bonds may be used, for example, to provide funds for one or more of the following purposes; to reduce or eliminate the employer’s net pension obligation, to pay the employer’s annual required contribution for the year, or to reduce or eliminate the plan’s unfunded actuarial accrued liability.

PENSION PLAN. An arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of the plan. [SGAS 25]
PENSION-RELATED DEBT. All long-term liabilities of an employer to a pension plan, the payment of which is not included in the annual required contributions of a sole or agent employer or the actuarially determined required contributions of a cost-sharing employer. Payments generally are made in accordance with installment contracts that usually include interest. Examples include contractually deferred contributions and amounts assessed to an employer upon joining a multiple-employer plan. [SGAS 27]

PENSION TREND DATA. Actuarially based data over time concerning the funding progress of a defined benefit pension plan and employers’ actual and annual required contributions to the plan.

PERFORMANCE AUDITING. Auditing designed to evaluate the effectiveness or efficiency of an organization, program, or activity.

PERFORMANCE MEASUREMENT. Commonly used term for service efforts and accomplishments reporting.

PERMANENT FUNDS. A fiduciary fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government’s programs—that is, for the benefit of the government or its citizenry.

PERSPECTIVE DIFFERENCES. Differences between the budgetary basis of accounting and GAAP that result when the structure of financial information used for GAAP financial reporting differs from the structure of financial information used for budgetary purposes. [NCGA Interpretation 10]

POLICYHOLDER DIVIDENDS. Term used in connection with public-entity risk pools. Payments made or credits extended to the insured by the insurer, usually at the end of a policy year, that result in reducing the net insurance cost to the policyholder. These dividends may be paid in cash to the insured or applied by the insured to reduce premiums due for the next policy year. [SGAS 10]

POPULAR ANNUAL FINANCIAL REPORTING. Supplementary financial reporting designed to meet the special needs of interested parties who are either unable or unwilling to use the more detailed financial information provided in traditional comprehensive annual financial reports.

POPULAR ANNUAL FINANCIAL REPORTING AWARD. An awards program sponsored by the Government Finance Officers Association with the objective of encouraging and assisting governments to prepare and publish high quality popular annual financial reports.
POSTEMPLOYMENT HEALTHCARE BENEFITS. Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries. [SGAS 26]

POTENTIALLY MISLEADING TO EXCLUDE. Term used in connection with defining the financial reporting entity. Basis for including a legally separate entity within the financial reporting entity even though that separate entity does not meet either of the normal criteria for inclusion as a component unit (i.e., board appointment or fiscal dependency).

PRELIMINARY PROJECT STAGE. Term used in connection with computer software developed or obtained for internal use. Costs incurred prior to the development stage of computer software (e.g., the conceptual formulation of alternatives, the evaluation of alternatives, the determination of the existence of needed technology, and the final selection of alternatives).

PRELIMINARY VIEWS. A due-process document issued by the GASB soliciting comments from interested parties on a proposed authoritative pronouncement prior to the issuance of an exposure draft.

PREMIUM DEFICIENCY. Term used in connection with public-entity risk pools. A situation that occurs if the sum of expected claims costs (including incurred but not reported claims) and all expected claim adjustment expenses, expected dividends to policy holders or pool participants, and unamortized acquisition costs exceeds related unearned premiums. [SGAS 30]

PRIMARY GOVERNMENT. Term used in connection with defining the financial reporting entity. A state government or general purpose local government. Also, a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The primary government is the focus of the financial reporting entities. [SGAS 14]

PRIMARY USERS OF GENERAL-PURPOSE EXTERNAL FINANCIAL REPORTS. Those groups of financial statement users whose needs guide the development of GAAP. For state and local governments, the primary users of general-purpose external financial reports are (a) those to whom government is primarily accountable (the citizenry), (b) those who directly represent the citizens (legislative and oversight bodies), and (c) those who lend or who participate in the lending process (investors and creditors). [SGAC 1]

PRIVATE-PURPOSE TRUST FUNDS. A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. [SGAS 34]
PROGRAM. Group activities, operations or organizational units directed to attaining specific purposes or objectives.

PROGRAM LOAN. Term used in connection with cash flows reporting. A loan made and collected as part of a governmental program that provides a direct benefit to individual constituents. [SGAS 9, Q&A]

PROGRAM REVENUE. Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s general revenues. [SGAS 34]

PROJECTED UNIT CREDIT ACTUARIAL COST METHOD. A method under which the projected benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefits allocated to a valuation year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called the actuarial accrued liability.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS). A state or local governmental entity entrusted with administering one or more pension plans; it also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compension plans. A public employee retirement system also may be an employer that provides or participates in a pension plan or other types of employee benefit plans for employees of the system. [SGAS 25]

PUBLIC-ENTITY RISK POOL. A cooperative group of governmental entities joining together to finance an exposure, liability, or risk. Risk may include property and liability, workers’ compensation, or employee health care. A pool may be a stand-alone entity or included as part of a larger governmental entity that acts as the pool’s sponsor. [SGAS 10]

PURE CASH CONDUIT. Term used in connection with pass-through grants. A grantor that merely transmits grantor-supplied moneys without having administrative or direct financial involvement in the program. [SGAS 24]

PURPOSE RESTRICTIONS. Term used in connection with government-mandated and voluntary nonexchange transactions. Legal limitations that specify the purpose or purposes for which resources are required to be used. [SGAS 33]
**PUT OPTION.** An option contract giving the buyer (owner) the right, but not the obligation, to sell to the writer of the contract a fixed number of items (such as shares of equity securities) at a fixed or determinable “strike” price on a given date or at any time on or before a given date. [SGAS 31]

**QUALIFIED OPINION.** Term used in connection with financial auditing. A modification of the independent auditor’s report on the fair presentation of the financial statements indicating that there exists one or more specific exceptions to the auditor’s general assertion that the financial statements are fairly presented.

**QUESTIONED COST.** Term used in connection with Single Audits. A determination by the independent auditor that an expenditure under a federal grant does not meet all of the grantor’s requirements and therefore may be subject to refund to the grantor.

**REALIZED GAINS AND LOSSES.** The cumulative effect of appreciation and depreciation in the value of investments reported at fair value at the time those investments are sold.

**REAPPROPRIATION.** The inclusion of a balance from the prior year’s budget as part of the budget of the subsequent fiscal year. Reappropriation is common for encumbrances outstanding at the end of a fiscal year that a government intends to honor in the subsequent fiscal year.

**REASONABLE ASSURANCE.** A term used in connection with financial auditing. The principle that the goal of the independent audit of the financial statements is to ensure that financial statements are free from material misstatement. The principle of reasonable assurance rests upon the assumption that it is not cost beneficial to attempt to ensure that financial statements are free of immaterial misstatements.

**REBATABLE ARBITRAGE.** A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

**RECIPROCAL INTERFUNDS ACTIVITY.** The interfund counterpart to exchange and exchange-like transactions. This category includes both interfund loans and interfund services provided and used. [SGAS 34]

**REFUNDING.** The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding). [SGAS 23]
**REGULATED ENTERPRISES.** Enterprises for which (a) rates for regulated services or products are either established by, or subject to approval by an independent, third-party regulator (or the governing board itself if it is empowered by statute or contract to establish rates that bind customers), (b) the regulated rates are designed to recover the specific enterprise’s costs of providing regulated services or products, and (c) it is reasonable to assume that the regulated activity can set and collect charges sufficient to recover its costs. Regulated enterprises have the *option* of adopting certain specialized guidance issued by the FASB. In practice, the term “regulated enterprise” normally is applied only to enterprises that elect this option.

**REIMBURSEMENT GRANT.** A grant for which a potential recipient must first incur qualifying expenditures to be eligible. Reimbursement grants are also referred to as *expenditure-driven grants*.

**REINSURANCE.** A transaction in which an assuming enterprise (reinsurer), for a consideration (premium), assumes all or part of a risk undertaken originally by another insurer (ceding enterprise). However, the legal rights of the insured are not affected by the reinsurance transaction, and the ceding enterprise issuing the original insurance contract remains liable to the insured for payment of policy benefits. [SGAS 10]

**RELATED ORGANIZATION.** Term used in connection with defining the financial reporting entity. An organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not *financially* accountable. [SGAS 14]

**RELATED PARTY TRANSACTION.** A transaction that an informed observer might reasonably believe reflects considerations other than economic self-interest based upon the relationship that exists between the parties to the transaction. The term often is used in contrast to an *arm’s-length transaction*.

**RELATIVE ORDER OF LIQUIDITY.** An order for presenting assets and liabilities on the statement of net assets based upon how readily they may be converted to cash or will require the use of cash. [SGAS 34]

**RELEVANCE.** The principle that there should be a close logical relationship between the financial information provided and the purpose for which it is needed. Information is relevant if it is capable of making a difference in a user’s assessment of a problem, condition, or event. [SGAC 1]

**RELIABILITY.** The principle that financial information should be verifiable, free from bias, and faithfully represent what it purports to represent. [SGAC1]
REPORTABLE CONDITION. Term used in connection with financial auditing. A significant deficiency in internal controls discovered in the course of the financial statement audit that must be communicated by the independent auditor to the entity’s audit committee or its equivalent.

REPORTING PACKAGE. Term used in connection with Single Audits. A package that the independent auditor must communicate to the Federal Audit Clearing House that includes (a) the government’s financial statements, (b) the government’s supplementary schedule of expenditures of federal awards, (c) the auditor’s reports, (d) a summary schedule of prior audit findings, and (e) a corrective action plan. The reporting package must be accompanied by a special data collection form that summarizes the information contained in the reporting package.

REPURCHASE AGREEMENT. A transaction in which the governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the governmental entity and promises to repay the cash plus interest in exchange for the return of the same securities. [SGAS 3]

REQUIRED SUPPLEMENTARY INFORMATION. Statements, schedules, statistical data, or other information that the GASB has determined to be necessary to supplement, although not required to be a part of, the basic statements. [SGAS 5]

RESERVED FUND BALANCE. The portion of a governmental fund’s net assets that is not available for appropriation.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enable legislation. [SGAS 34]

RESTRICTED NET ASSETS. A component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

RETROSPECTIVELY (EXPERIENCE) RATED POLICY. Term used in connection with public-entity risk pools. An insurance policy for which the final amount of the premium is determined by adjusting the initial premium based on actual experience during the period of coverage (sometimes subject to maximum and minimum limits). A retrospectively rated policy is designed to encourage safety by the insured and to compensate the insurer if larger-than-expected losses are incurred. [SGAS 10]
REVENUE AND CLAIMS DEVELOPMENT TREND DATA. Required supplementary information mandated by the GASB for public-entity risk pools.

REVENUE ANTICIPATION NOTE. Short-term, interest-bearing note issued by a government in anticipation of revenues to be received at a later date. The note is retired from the revenues to which it is related.

REVERSE REPURCHASE AGREEMENT. An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfer securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for the same securities or for different securities. [SGAS 3]

RISK-SHARING POOLS. One of four different types of public-entity risk pools. An arrangement by which governments pool risks and funds and share in the cost of losses. [SGAS 10]

SALARY-RELATED PAYMENTS. Term used in connection with compensated absences. Payments by an employer that are directly and incrementally associated with payments made for compensated absences on termination. Such salary-related payments include the employer’s share of social security and Medicare taxes and also might include, for example, the employer’s contributions to pension plans. [SGAS 16]

SCHEDULE OF EMPLOYER CONTRIBUTIONS. Term used in connection with defined benefit pension plans. Trend data on employers’ annual required contribution to a pension plan and actual contributions.

SCHEDULE OF FUNDING PROGRESS. Term used in connection with defined benefit pension plans. Trend data on the relationship between the actuarial value of pension plan assets and the related actuarial accrued liability.

SEC 2A7-LIKE POOLS. An external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940 (17 Code of Federal Regulations §270.2a-7). Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the market value of the portfolio deviates from amortized cost by a specified amount. [SGAS 31]
SECURITIES LENDING TRANSACTIONS. Transactions in which governmental entities transfer their securities to broker-dealers and other entities for collateral—which may be cash, securities, or letters of credit—and simultaneously agree to return the collateral for the same securities in the future. [SGAS 28]

SEGMENT. An identifiable activity (or grouping of activities) required to be accounted for separately which is reported as or within an enterprise fund or an other stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments (such as certificates of participation) are outstanding. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue-backed debt and has related expenses, gains and losses, assets, and liabilities that can be identified. [SGAS 34]

SEGREGATION OF INCOMPATIBLE DUTIES. Term used in connection with the evaluation of internal control. The principle that no single employee should be placed in a position that allows that employee both to commit and conceal an irregularity in the ordinary course of the employee’s duties.

SERVICE EFFORTS AND ACCOMPLISHMENTS REPORTING. Term used by the GASB to describe the presentation of performance measures in connection with general purpose external financial reporting.

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1984 (as amended) and Office of Management and Budget (OMB) Circular A-133, Audits of states, Local Governments, and Non-Profit Organizations. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SINGLE AUDIT ACT OF 1984. Federal legislation that provides for state and local government recipients of federal financial awards to have one audit performed to meet the needs of all federal grantor agencies. The Single Audit Act was amended in 1996.

SINGLE-PROGRAM GOVERNMENTS. Term used in connection with financial reporting. A government that budgets, manages, and accounts for its activities as a single program. Single-program governments that use only governmental funds have the option to combine their fund financial statements and their government-wide financial statements into a single, combining presentation.
**Solvency Test.** Term used in connection with pension plan financial reporting. Comparison of a pension plan’s present assets to the aggregate accrued liabilities classified into the following categories: (a) liability for active member contributions on deposit, (b) liability for future benefits to present retired lives, and (c) liability for service already rendered by active members. In preparing this schedule, valuation assets are arbitrarily allocated first to the liability for active member contributions on deposit, second to the liability for future benefits to present retired lives, and third to the liability for service already rendered by active members, regardless of the method used for asset allocation.

**Special Assessment.** A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**Special Funding Situations.** Term used in connection with pensions. A situation in which a governmental entity is legally responsible for contributions to pension plans that cover the employees of another governmental entity or entities. For example, a state government may be legally responsible for the annual “employer” contributions to a pension plan that covers employees of school districts within the state. [SGAS 27]

**Special Items.** Significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. [SGAS 34]

**Special Revenue Fund.** A governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes. [NCGA Statement 1]

**Special Termination Benefits.** Benefits offered for a short period of time to employees in connection with their termination of employment. Special termination benefits serve as an inducement to take early retirement, and often are used to help alleviate near-term budgetary problems.

**Standard Costing.** Method of estimating the historical cost of a capital asset by establishing the average cost of obtaining the same or a similar asset at the time of acquisition.

**Statistical Section.** The third of three essential comprehensive annual financial report. The statistical section provides a broad range of trend data covering key financial indicators from the past 10 fiscal years (e.g., general government revenues and expenditures, property tax collections, debt burden). It also contains demographic and miscellaneous data useful in assessing a government’s financial condition. The contents of the statistical section normally fall outside the scope of the independent audit of the financial statements.
STOCK RIGHTS. Rights given to existing stockholders to purchase newly issued shares in proportion to their holdings at a specific date. [SGAS 31]

STOCK WARRANTS. Certificates entitling the holder to acquire shares of stock at a certain price within a stated period. Warrants often are made part of the issuance of bonds or preferred or common stock. [SGAS 31]

STREET OR NOMINEE NAME. Securities that are issued in or endorsed to the name of a securities depository, broker-dealer, or other financial services company, on behalf of the true beneficial owners of the securities. [SGAS 3, Q&A]

STRIKE PRICE. A fixed or determinable price on a given date or at any time on or before a given date at which the buyer (owner) may purchase from (call option) or sell to (put option) the seller (writer) of an option contract a fixed number of items (such as shares of equity securities). [SGAS 31]

STRUCTURED SETTLEMENT. Term used in connection with risk financing. A means of satisfying a claim liability, consisting of an initial cash payment to meet specific present financial needs combined with a stream of future payments designed to meet future financial needs, generally funded by annuity contracts. [SGAS 10]

SUBOBJECT. A subdivision within an expenditure object classification (e.g., regular employees is a possible subobject classification within the personal services—salaries and wages expenditure object classification).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (SSAP). The first of the notes to the financial statements or a separate section immediately preceding the notes to the financial statements. The basic authoritative guidance governing the contents of the SSAP is provided in Accounting Principles Board (APB) Opinion No. 22, Disclosure of Significant Accounting Policies.

SUPPLEMENTARY INFORMATION. Financial information presented together with basic financial statements that is not included within the scope of the audit of those statements. When the presentation of certain supplementary information is mandated by the GASB it is referred to as required supplementary information.

SUSCEPTIBLE TO ACCRUAL. Term used in connection with the application of the modified accrual basis of accounting. Revenues that are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. [NCGA Statement 1]

SYSTEM DEVELOPMENT FEES. Fees charged to join or to extend an existing utility system. Also referred to as tap fees or connection fees.
TAKE-OUT AGREEMENT. Term used in connection with demand bonds. An arrangement with a financial institution to convert demand bonds to an installment loan payable over a specified period, sometimes as long as 10 years or more. A take-out agreement is used to provide long-term financing in the event the remarketing agency is unable to resell demand bonds within a specified period (usually three to six months) subsequent to the exercise of the “demand” feature by bondholders. [IGAS 1]

TAP FEES. Fees charged to join or to extend an existing utility system. Also referred to as system development fees or connection fees.

TAX ANTICIPATION NOTE. Short-term, interest-bearing note issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

TAX-INCREMENT FINANCING. Financing secured by the anticipated incremental increase in tax revenues, resulting from the redevelopment of an area.

TECHNICAL AGENDA. Term used in connection with the operation of the GASB. A list of research projects formally undertaken by the GASB as part of its development of authoritative standards of accounting and financial reporting.

TECHNICAL BULLETIN. A document issued by the staff of the GASB to provide guidance for applying GASB statements and interpretations and resolving accounting issues not directly addressed by them. [TB 84-1]

TEMPORARY ACCOUNTS. Accounts that close to net assets at the end of an accounting period (e.g., revenues and expenses).

TEN PERCENT CRITERION. The first of two tests used to determine whether a given governmental fund or enterprise fund must be reported as a major fund in the basic financial statements. For governmental funds, this test is applied to the total assets, liabilities, revenues, and expenditures of all governmental funds. For enterprise funds, this test is applied to the total assets, liabilities, revenues, and expenses of all enterprise funds. The test need be met for only one of these four items.

TERMINATION PAYMENTS METHOD. A method of calculating the liability for earned sick leave for which it is probable that the benefits will result in termination payments. Under this method, the amount of the liability is estimated based on a governmental entity’s past experience of making termination payments for sick leave, adjusted for the effect of changes in its termination policy and other factors. [SGAS 16]

TIMELINESS. The principle that financial statements must be issued soon enough after the reported events to affect decisions. [SGAC 1]
TIMING DIFFERENCES. Differences between the budgetary basis of accounting and GAAP that occur when the period used for budgeting differs from the period used for GAAP reporting (e.g., a special revenue fund that uses a grant-year budget rather than a fiscal-year budget).

TRI-PARTY ARRANGEMENTS. Term used in connection with repurchase agreements. An arrangement in which the custodian serves as agent both of the buyer-lender and of the seller-borrower by agreeing, in the event of default by one, to protect the interests of the other. The custodian holds the securities underlying the agreement in the names of both repurchase agreement parties (the buyer-lender as pledgee and seller-borrower is owner). [SGAS 3, Q&A]

TYPE A PROGRAM. Term used in connection with the determination of major programs for purposes of Single Audits. Type A programs are defined on the basis of the relationship between program expenditures and total federal awards expended.

TYPE B PROGRAM. Term used in connection with the determination of major programs for purposes of Single Audits. A Type B program is any program with insufficient program expenditures to qualify as a Type A program.

UNALLOCATED CLAIM ADJUSTMENT EXPENSES. Term used in connection with risk financing. Costs that cannot be associated with specific claims but are related to claims paid or in the process of settlement, such as salaries and other internal costs of the pool’s claims department. [SGAS 10]

UNALLOCATED DEPRECIATION. Term used in connection with the government-wide statement of activities. Depreciation not properly reported as a direct expense of a functional category.

UNCOMMITTED BALANCE OF APPROPRIATIONS. The portion of an appropriation remaining after the deduction of expenditures and encumbrances.

UNDERSTANDABILITY. The principle that information in financial reports should be expressed as simply as possible. [SGAC 1]

UNDESIGNATED UNRESERVED FUND BALANCE. Available expendable financial resources in a governmental fund that are not the object of tentative management plans (i.e., designations).
UNDIVIDED INTEREST. An arrangement (also known as a joint operation) that resembles a joint venture but no entity or organization is created by the participants. An undivided interest is an ownership arrangement in which two or more parties own property in which title is held individually to the extent of each party’s interest. Implied in that definition is that each participant is also liable for specific, identifiable obligations (if any) of the operation. Because an undivided interest is not a legal entity, borrowing to finance its operations often is done individually by each participant. An additional consequence of the absence of a formal organizational structure is that there is no entity with assets, liabilities, expenditures/expenses, and revenues—and thus, equity—to allocate to participants. [SGAS 14]

UNEARNED REVENUE. A type of deferred revenue account used in connection with resources that have not yet been earned.

UNFUNDED ACTUARIAL ACCRUED LIABILITY. The excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of the actuarial value of assets over the actuarial accrued liability, or the funding excess.

UNQUALIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNREALIZED GAINS AND LOSSES. Term used in connection with the valuation of investments. Cumulative change in the market value of investments prior to their disposition.

UNREALIZED REVENUES. Term used in connection with budgeting. The difference between estimated revenues and actual revenues.

UNRESTRICTED NET ASSETS. That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

VESTING METHOD. A method of calculating the liability for earned sick leave for which it is probable that the benefits will result in termination payments. Under this method, the amount of the liability is estimated based on the sick leave accumulated at the date of the statement of position for those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. In calculating the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future are based on assumptions concerning the probability that individual employees or classes or groups of employees will become eligible to receive termination payments. [SGAS 16]
VOLUNTARY NONEXCHANGE TRANSACTIONS. Transactions that result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations). [SGAS 33]

VOTING MAJORITY. Term used in connection with defining the financial reporting entity. A situation in which the number of the primary government’s appointees to a component unit’s board is sufficient to control decisions of the component unit. [SGAS 14, Q&A]

VULNERABILITY ASSESSMENT. Term used in connection with evaluations of internal controls. The risk-based systematic prioritization of internal control evaluations.

WIDELY RECOGNIZED AND PREVALENT PRACTICE. Term used in connection with the hierarchy of GAAP for state and local governments established by SAS No. 69, The Meaning of “Present Fairly in Conformity with Generally Accepted Accounting Principles” in the Independent Auditor’s Report. The principle that accounting and financial reporting practice should itself serve as a source of GAAP in the absence of high level guidance.

YELLOW BOOK. Term used in connection with public-sector auditing. A non-technical term commonly used to describe the General Accounting Office’s publication Government Auditing Standards.

YIELD MAINTENANCE REPURCHASE—REVERSE REPURCHASE AGREEMENT. A repurchase agreement or a reverse repurchase agreement where the parties agree that the securities returned will provide the seller-borrower with a yield as specified in the agreement. [SGAS 3]

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