Board of Education Budget Hearing
Monday, September 21, 2026 6:00 PM
District Office
508 Jefferson Ave.
Morrill, NE 69358

I. Open the Meeting

I.1. Call to Order

I.2. Roll Call of Members

I.3. Opening Remarks

II. Budget Presentation & Discussion

III. ADJOURNMENT

Budget Hearing

Morrill Public Schools September 21, 2026

Definitions

- A FUND is a sum of money or is the money derived from certain sources and set aside for specific purposes and activities.
- An ACCOUNT within a fund records the financial transactions that are similar in terms of a given frame of reference, either as a receipt or as a disbursement.
- The fund accounts collectively constitute a complete record of all transactions encompassed by the fund. In addition, State Statute §79 - 1089 requires that a public accountant or a certified public accountant annually examine all financial records maintained by school districts (Rauner & Associates)

General Fund

- The General Fund finances all facets of services rendered by the school district. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. The General Fund is maintained by all operating school districts in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted. The General Fund cannot be used to purchase buildings or land for the district - - those are functions of the Special Building Fund.

Activities Fund

- The Activities Fund is required to account for the financial operations of quasi - independent student organizations, inter - school athletics, and other self - supporting or partially self - supporting school activities. The inclusion of such accounts in the General Fund would distort the financial position of the basic school operation and would complicate the computation of the net expense incurred in conducting school services. The Activities Fund shall not be used to record general operation revenues or expenditures, nor shall this fund be used as a clearinghouse for the General Fund. The school district may divide this fund into more than one account to allocate a portion of this fund for different purposes.
- The financial operations of all school - connected activities are a legal responsibility of the board of education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such revenue shall finance only those projects that qualify for approval under policies established by the school district board of education for such activities.
- Districts offering curriculum to build or construct homes or other structures that may be sold to the public should include those revenues and corresponding costs to the Activities Fund.

Depreciation Fund

- A Depreciation Fund may be established by a school district in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. This fund is restricted by statute as part of the Allowable Reserve limitation.
- The Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

Employee Benefit Fund

- An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation, early retirement, health insurance deductibles, etc.) To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund, and the Employee Benefit Fund will show the revenue as a transfer from the General Fund. A school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The cash reserve of this fund is restricted by statute as part of the Allowable Reserve limitation.
- The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

School Nutrition Fund

- The School Nutrition Fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. <u>The School Nutrition Fund shall reflect a record of all revenues and expenditures</u> <u>specific to the operation of all Nutrition Programs</u>. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund.
- Federal regulations allow for loans to the Nutrition Fund from the General Fund but must be recorded as a loan when funds are initially loaned to the School Nutrition Fund. These loans must be repaid to the General Fund from the School Nutrition fund without interest.
- ***Transfers from the General Fund to the School Nutrition Fund are allowed but those funds cannot be transferred back into the General Fund***

Special Building Fund

- A Special Building Fund shall be established when a school board decides to acquire or improve sites and/or to erect, alter or improve buildings. The sale of bonds, the sale of property, or tax receipts will be the primary sources of revenue for the Special Building Fund. Regardless of the source of money to be used for building construction and related costs, all income for the purposes of this fund shall be accountable through this fund. General Fund expenditures for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those expenditures associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund project is active at the same time, separate accounts for each project may be established within the single Special Building Fund. Teacherage - related transactions are included in the Special Building Fund.
- The tax levy for this fund is restricted to 14¢ with local board approval or 17.5¢ following a vote of the people for a term not to exceed ten years (§79 - 1098 R.R.S.).

Qualified Capital Purpose Undertaking Fund

- A Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, life safety hazards, and mold abatement and prevention projects for existing facilities only. General Fund expenditures for the purpose of this fund are not allowable. Qualified Zone Academy Bonds, Qualified School Construction Bonds, and Build America Bonds are included in the Qualified Capital Purpose Undertaking Fund if issued prior to April 19, 2016.
- Effective April 19, 2016, the tax levy for this fund is restricted to 3¢. The tax levy for Qualified Capital Purpose Undertaking projects in place prior to April 19, 2016, remains at 5.2¢. The levy may exceed the 3¢ levy limit if valuation has decreased from the previous year bond(s) were issued, and the bond principal and interest obligation cannot be met.
- Tax levies for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, mold abatement and prevention projects cannot exceed *ten years* for each project. Tax levies for each qualified capital purpose for which the Qualified Zone Academy Bond (QZAB) is issued according to (§79 - 10,110 R.R.S.) cannot exceed *fifteen* years.

2025-2026 Budget

FUNDS	Actual Disbursements & Transfers 2023-2024 (1)	Actual/Estimated Disbursements & Transfers 2024-2025 (2)	Budgeted Disbursements & Transfers 2025-2026 (3)	Necessary Cash Reserve (4)	Total Available Resources Before Property Taxes (5)	Total Personal and Real Property Tax Requirement (7)
General	$ 7,245,171.00	$ 6,539,790.00	$ 7,263,373.00	$ 2,056,430.00	$ 4,652,238.00	$ 4,714,712.00
Depreciation	$ 320,709.00	$ -	$ 206,164.00		$ 206,164.00	
Employee Benefit	$ 50,038.00	$ 38,396.00	$ 63,878.00	$ -	$ 63,878.00	
Contingency	$ -	$ -	$ -		$ -	
Activities	$ 247,995.00	$ 229,532.00	$ 309,556.00	$ -	$ 309,556.00	
School Nutrition	$ 257,403.00	$ 243,227.00	$ 327,900.00	$ -	$ 327,900.00	
Bond	$ -	$ -	$ -	$ -	$ -	$ -
Special Building	$ 399,580.00	$ 235,293.00	$ 490,000.00		$ 323,859.00	$ 167,819.00
Qualified Capital Purpose Undertaking	$ 198,392.00	$ 152,500.00	$ 769,861.00	$ -	$ 569,861.00	$ 202,020.00
Cooperative	$ -	$ -	$ -	$ -	$ -	
Student Fee	$ -	$ -	$ -	$ -	$ -	
	$ -	$ -	$ -	$ -	$ -	
TOTALS	$ 8,719,288.00	$ 7,438,738.00	$ 9,430,732.00	$ 2,056,430.00	$ 6,453,456.00	$ 5,084,551.00

	Bond Purposes	Non-Bond Purposes	Total
Breakdown of Property Tax	$ 199,560.00	$ 4,884,991.00	$ 5,084,551.00

2025-2026 Tax Requirements

Taxing Fund	Levy Amount cents per $100	Dollar amount raised
General Fund	.919	$ 4,714,712.00
Special Building Fund	.032	$ 167,819.00
QCPUF Fund	.039	$ 202.020.00
Total all Funds	0.99	$ 5,084,551.00

Originally Proposed 2026-2027 Budget

FUNDS	Actual Disbursements & Transfers 2024-2025 (1)	Actual/Estimated Disbursements & Transfers 2025-2026 (2)	Budgeted Disbursements & Transfers 2026-2027 (3)	Necessary Cash Reserve (4)	Total Available Resources Before Property Taxes (5)	Total Personal and Real Property Tax Requirement (7)
General	$ 6,515,193.00	$ 6,580,971.00	$ 7,801,806.00	$ 1,872,153.00	$ 4,959,247.00	$ 4,762,335.00
Depreciation	$ -	$ -	$ 206,414.28		$ 206,414.28	
Employee Benefit	$ 39,681.00	$ 27,828.00	$ 62,822.00	$ -	$ 62,822.00	
Contingency	$ -	$ -	$ -		$ -	
Activities	$ 232,090.00	$ 150,000.00	$ 235,000.00	$ -	$ 235,000.00	
School Nutrition	$ 242,818.00	$ 239,329.00	$ 253,500.00	$ -	$ 253,500.00	
Bond	$ -	$ -	$ -	$ -	$ -	$ -
Special Building	$ 235,293.00	$ 182,856.00	$ 484,619.00		$ 316,800.00	$ 169,514.00
Qualified Capital Purpose Undertaking	$ 152,501.00	$ 170,118.00	$ 806,194.00	$ -	$ 604,174.00	$ 204,061.00
Cooperative	$ -	$ -	$ -	$ -	$ -	
Student Fee	$ -	$ -	$ -	$ -	$ -	
	$ -	$ -	$ -	$ -	$ -	
TOTALS	$ 7,417,576.00	$ 7,351,102.00	$ 9,850,355.28	$ 1,872,153.00	$ 6,637,957.28	$ 5,135,910.00

	Bond Purposes	Non-Bond Purposes	Total
Breakdown of Property Tax	$ 199,560.00	$ 4,936,350.00	$ 5,135,910.00

2026-2027 Tax Requirements (Original Budget)

Taxing Fund	Tax Levy Cents per $100	Dollar Amount Raised
General Fund	.870589	$4,762,335.00
Special Building Fund	.030988	$169,514.00
QCPUF Fund	.037304	$ 204,061.00
Total All Funds	0.93881	$5,135,910.00