

Working Meeting of the Shelton Public Schools Board of Education
Wednesday, September 10, 2025
Video Conference - Link on District Website
6:30 PM Central

1. Call to order and roll call
2. Pledge of Allegiance
3. Request to address the Board of Education
4. Discussion Items
 - 4.a. 2025-2026 Budget Presentation & Discussion
5. Adjournment

Pledge of Allegiance

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.



**SHELTON
PUBLIC
SCHOOLS**

Finance Workshop
September 10, 2025

LEVY AND VALUATIONS

LEVY								
	Year	Valuation	GENERAL	BOND	BUILDING	QCPUF	TOTAL	General + Building Tax Levy
	2013-2014	\$244,299,604	\$0.9974	\$0.0268	\$0.0516	\$0.0000	\$1.0758	\$1.049
24.89%	2014-2015	\$305,094,319	\$0.9881	\$0.0719	\$0.0428	\$0.0000	\$1.1028	\$1.031
14.17%	2015-2016	\$348,332,394	\$0.9981	\$0.0902	\$0.0029	\$0.0000	\$1.0912	\$1.001
7.81%	2016-2017	\$375,520,964	\$0.9999	\$0.0668	\$0.0403	\$0.0000	\$1.1070	\$1.040
0.65%	2017-2018	\$377,944,094	\$0.9687	\$0.0664	\$0.0146	\$0.0200	\$1.0697	\$0.983
-1.72%	2018-2019	\$371,455,926	\$0.9956	\$0.0649	\$0.0148	\$0.0203	\$1.0956	\$1.010
-1.75%	2019-2020	\$364,958,792	\$1.0235	\$0.0265	\$0.0241	\$0.0219	\$1.0960	\$1.048
-4.32%	2020-2021	\$349,195,327	\$1.025446	\$0.067977	\$0.024468	\$0.0231	\$1.1410	\$1.050
-2.44%	2021-2022	\$340,687,043	\$1.049899	\$0.068546	\$0.000000	\$0.024465	\$1.1429	\$1.050
3.72%	2022-2023	\$353,374,960	\$1.031897	\$0.0629	\$0.0174	\$0.0260	\$1.1382	\$1.049
11.30%	2023-2024	\$393,301,736	\$1.049519	\$0.0642	\$0.0000	\$0.0241	\$1.1379	\$1.050
7.03%	2024-2025	\$420,959,919	\$1.007305	\$0.0576	\$0.021200	\$0.02256	\$1.1086	\$1.029
13.09%	2025-2026	\$476,049,762	\$0.923743	\$0.05199	\$0.021218	\$0.016975	\$1.0139	\$0.945
0.00%	2026-2027	\$476,049,762	\$0.950000	\$0.0500	\$0.0200	\$0.0200	\$1.0400	\$0.970
0.00%	2027-2028	\$476,049,762	\$0.980000	\$0.0500	\$0.0200	\$0.0200	\$1.0700	\$1.000
0.00%	2028-2029	\$476,049,762	\$1.010000	\$0.0500	\$0.0200	\$0.0200	\$1.1000	\$1.030
0.00%	2029-2030	\$476,049,762	\$1.040000	\$0.0500	\$0.0200	\$0.0200	\$1.1300	\$1.060

PROPERTY TAX REQUEST

TOTAL TAX REQUEST								
Year	General Fund	Bond Fund	Building Fund	QCPUF	TOTAL	General & Building Fund Tax	LB 243 Limit with 3% growth	Additional with 70% approval
2013-2014	\$2,436,644	\$65,472	\$126,059	\$0	\$2,628,175	\$2,562,703		
2014-2015	\$3,014,637	\$219,363	\$130,580	\$0	\$3,364,580	\$3,145,217		
2015-2016	\$3,476,706	\$314,196	\$10,102	\$0	\$3,801,003	\$3,486,807		
2016-2017	\$3,754,834	\$250,848	\$151,335	\$0	\$4,157,017	\$3,906,169		
2017-2018	\$3,661,144	\$250,955	\$55,180	\$75,551	\$4,042,830	\$3,716,324		
2018-2019	\$3,698,215	\$241,075	\$54,975	\$75,406	\$4,069,671	\$3,753,191		
2019-2020	\$3,735,353	\$96,714	\$87,955	\$79,926	\$3,999,948	\$3,823,308		
2020-2021	\$3,580,810	\$237,373	\$85,441	\$80,807	\$3,984,430	\$3,666,251		
2021-2022	\$3,576,870	\$233,527	\$0	\$83,349	\$3,893,746	\$3,576,870		
2022-2023	\$3,646,466	\$222,223	\$61,420	\$91,920	\$4,022,029	\$3,707,886		
2023-2024	\$4,127,776	\$252,523	\$0	\$94,951	\$4,475,251	\$4,127,776		
2024-2025	\$4,240,350	\$242,422	\$89,244	\$94,948	\$4,666,964	\$4,329,594	\$4,341,360	\$4,693,579
2025-2026	\$4,397,476	\$247,474	\$101,008	\$80,809	\$4,826,769	\$4,498,485	\$4,447,305	\$4,835,554
2026-2027	\$4,522,473	\$238,025	\$95,210	\$95,210	\$4,950,918	\$4,617,683	\$4,580,724	\$4,980,621
2027-2028	\$4,665,288	\$238,025	\$95,210	\$95,210	\$5,093,732	\$4,760,498	\$4,718,146	\$5,130,039
2028-2029	\$4,808,103	\$238,025	\$95,210	\$95,210	\$5,236,547	\$4,903,313	\$4,859,690	\$5,283,940
2029-2030	\$4,950,918	\$238,025	\$95,210	\$95,210	\$5,379,362	\$5,046,127	\$5,005,481	\$5,442,459

RECEIPTS BY PROGRAM

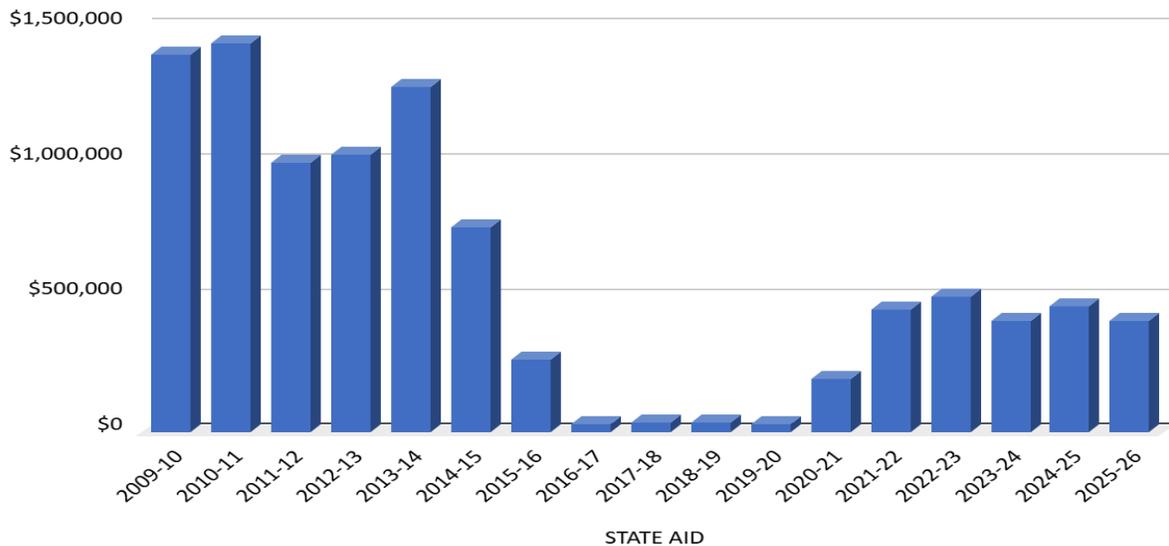
- ❖ **Local Receipts-about 60%-80% of your total receipts**
 - Property Taxes-65%-75% of total funding comes from property taxes. Property Tax Credit lowered the local tax receipts during Fy 24-25, but total receipts will be up. Property taxes will be down about 30% in September 2025.
 - Carline taxes
 - Public Power Sales Tax
 - Motor vehicle taxes
- ❖ **County and ESU/Other-about 1%**
 - Fines and ESU
- ❖ **State Receipts-around 20% of the total receipts**
 - State Aid
 - SPED
 - State Apportionment (each districts share of Temporary School Fund)
 - Property Tax Credit-This will be significantly increased during 24-25
 - Homestead Exemption
- ❖ **Federal Receipts-3%-5% of the total receipts**
 - ESSA-Title program and IDEA
 - Federal receipts will be down in the upcoming years
- ❖ Total receipts for the current year should be around

RECEIPTS BY PROGRAM

YEAR	Taxes	Local	State Aid	SPED	Tax Credit	Other State	State	Federal	Other	Total Rec
2011-2012										\$3,580,145
2012-2013										\$3,691,199
2013-2014	\$2,269,552	\$2,408,484	\$1,278,244	\$261,693	\$150,732	\$28,770	\$1,719,439	\$172,430	\$44,327	\$4,344,680
2014-2015	\$2,888,440	\$3,032,547	\$758,077	\$231,607	\$173,835	\$39,503	\$1,203,022	\$276,015	\$37,744	\$4,549,328
2015-2016	\$3,127,545	\$3,272,064	\$265,928	\$215,958	\$187,742	\$90,921	\$760,549	\$241,068	\$39,029	\$4,312,710
2016-2017	\$3,397,185	\$3,527,243	\$31,380	\$238,121	\$183,057	\$232,218	\$684,776	\$238,698	\$438,138	\$4,888,855
2017-2018	\$3,520,660	\$3,689,274	\$33,032	\$243,509	\$184,911	\$205,869	\$667,321	\$212,791	\$62,856	\$4,632,242
2018-2019	\$3,300,688	\$3,500,431	\$36,184	\$245,354	\$186,768	\$187,252	\$655,558	\$151,921	\$59,270	\$4,367,180
2019-2020	\$3,499,746	\$3,692,938	\$29,640	\$235,034	\$179,040	\$209,766	\$653,480	\$153,658	\$45,036	\$4,545,112
2020-2021	\$3,330,153	\$3,530,153	\$193,674	\$248,040	\$178,843	\$79,443	\$700,000	\$153,658	\$240,402	\$4,624,213
2021-2022	\$3,295,704	\$3,522,625	\$450,974	\$230,595	\$229,320	\$100,191	\$1,011,080	\$256,316	\$29,120	\$4,819,141
2022-2023	\$3,330,478	\$3,531,600	\$501,350	\$228,655	\$229,326	\$114,114	\$1,073,445	\$264,522	\$110,658	\$4,931,010
2023-2024	\$3,712,086	\$3,952,501	\$410,893	\$466,157	\$273,424	\$220,072	\$1,370,546	\$285,103	\$118,028	\$5,668,214
2024-2025	\$4,197,947	\$4,372,947	\$464,132	\$551,167	\$1,030,822	\$130,437	\$2,176,558	\$217,526	\$126,949	\$6,893,979
2025-2026	\$3,298,107	\$3,473,107	\$413,403	\$500,000	\$1,099,369	\$139,920	\$2,152,692	\$214,910	\$136,717	\$5,977,427
2026-2027	\$3,391,855	\$3,566,855	\$410,000	\$500,000	\$1,130,618	\$159,983	\$2,200,601	\$212,267	\$103,226	\$6,082,949
2027-2028	\$3,498,966	\$3,673,966	\$410,000	\$500,000	\$1,166,322	\$164,373	\$2,240,695	\$212,209	\$107,712	\$6,234,582
2028-2029	\$3,606,077	\$3,781,077	\$410,000	\$500,000	\$1,202,026	\$154,118	\$2,266,144	\$218,908	\$113,094	\$6,379,223
2029-2030	\$3,713,188	\$3,888,188	\$410,000	\$500,000	\$1,237,729	\$149,020	\$2,296,749	\$226,158	\$120,656	\$6,531,751

STATE AID

SYSTEM NEEDS				
	2022-2023	2023-2024	2024-2025	2025-2026
Basic Funding	\$3,860,756	\$3,911,609	\$4,453,777	\$4,494,276
Poverty Allowance	\$97,822	\$70,067	\$68,694	\$92,185
LEP allowance	\$83,337	\$64,508	\$47,467	\$69,114
Summer Schl Allow				
Special Rec Allow	\$250,382	\$239,914	\$237,074	\$467,341
Transportation Allow	\$39,879	\$70,330	\$53,068	\$63,613
Dist. Ed. allow	\$4,311	\$4,468	\$3,699	\$0
Poverty Correction				
Stdt Growth Adj		\$0		
Tot. Calc. Needs	\$4,336,487	\$4,360,896	\$4,863,779	\$5,186,529
Needs Stabilization	\$133,282	\$108,873		
Total Formula Needs	\$4,469,769	\$4,469,769	\$4,863,779	\$5,186,529
SYSTEM RESOURCES				
	2022-2023	2023-2024	2024-2025	2024-2026
Local Effort Rate	\$3,461,212	\$3,568,155	\$3,890,843	\$4,217,921
Option Enrollment	\$0	\$0	\$0	\$0
Income Tax Funds	\$35,099	\$43,804	\$48,998	\$50,273
Other Rec	\$509,732	\$500,126	\$512,067	\$777,263
Foundation Aid	0	\$365,452	\$388,681	\$225,394
Total Formula Resources	\$4,006,043	\$4,477,537	\$4,840,589	\$5,270,851
STATE AID CALCULATED				
Needs - Resources	\$463,726	-\$7,768	\$23,190	-\$84,322
Option Enrollment	\$0	\$0	\$0	\$0
Income Tax Funds	\$35,099	\$43,804	\$48,998	\$50,273
Foundation Aid	\$0	\$365,452	\$388,681	\$225,394
Foundation Aid Outside				\$150,263
Equalization Aid	\$498,825	\$409,256	\$460,869	\$425,930
Prior year Correction	\$2,525	\$1,637	\$3,263	-\$12,527
Total State Aid	\$501,350	\$410,893	\$464,132	\$413,403



STATE AID COMPONENTS:

As enrollment decreases the Basic Funding and System Needs decrease, and as property valuations increase Formula Resources increase,

❖ **System Needs:** (the components affecting your district are included below)

- **Basic Funding**-A comparison group of 10 smaller and 10 larger districts.
- **Poverty Allowance**-A formula based on percentage of free and reduced lunches, or students under 19 residing in homes with adjusted gross income equal to or less than the amount of household income that would allow a student to be a free lunch student.
- **Limited English Proficiency Allowance**-The amount the district designates they will spend on English Proficiency.
- **Summer School Allowance**-The lesser of: * Actual summer school expenditures. *85% percent of the statewide average general fund operating expenditures per formula student (11,069.76) multiplied by 2.5% of the summer school student units.
- **Special Receipts Allowance**-Each district's special education receipts for the most recently available complete data year.
- **Transportation Allowance**-Transportation costs for both regular and special education children. Activity mileage not included.
- **Distance Ed Allowance**-85% of the district's actual distance education expenditures.

❖ **System Resources:** (The components affecting your district are included below)

- **Local Effort Rate**-Adjusted valuation divided by 100 multiplied by the Local Effort Rate of \$1.00.
- **Option Funding**-The number of students opting out subtracted from the students opting into a district in grades (K-12). The positive number is multiplied by (\$11,580) for the current year. This number changes annually.

- **Allocated Income Tax Funds**-Two and twenty-three hundredths percent of the Nebraska income tax liability of residents of the Local System.
- **Other Receipts**-Other Actual Receipts include various local, state, and non-categorical federal receipts. (Fines, Interest, Special Education School Age, Pro-Rate Motor Vehicle).
- **Foundation Aid**: Foundation Aid is included in the total formula resources per the passing of LB 583. Foundation Aid is calculated by multiplying the school district's Formula Student x \$1500.

EQUALIZATION AID-The amount that the total formula needs exceeds total formula resources.

EXPENSES

- ❖ Total expenses increased 42.83% from 2012-2024, or about 3.57% annually
- ❖ From 2017-2024 total expenses only increased 2.6%, or less than 1% per year.
- ❖ Payroll increased an average of about 4.2% annually from 2012-2024.
- ❖ From 2019-2023 total payroll dropped about \$80,000

EXPENSES											
Year	Payroll	FICA	Retirement	Insurance	Payroll	Bills	Total Exp	Bills Incr	Pay Inc	Payroll %	Exp Inc
2011-2012	\$1,803,246	\$137,948	\$178,121	\$270,487	\$2,389,802	\$1,151,439	\$3,541,241				
2012-2013		\$0			\$0		\$3,909,940				\$368,699
2013-2014		\$0			\$0		\$4,034,768				\$124,828
2014-2015		\$0			\$0		\$4,324,717			0.00%	\$289,949
2015-2016		\$0			\$0		\$4,513,334			0.00%	\$188,617
2016-2017		\$0			\$0		\$4,621,179			0.00%	\$107,845
2017-2018		\$0			\$0		\$4,648,641			0.00%	\$27,462
2018-2019	\$2,617,147	\$200,212	\$244,581	\$500,000	\$3,561,940	\$1,010,059	\$4,571,999			77.91%	-\$76,642
2019-2020	\$2,596,899	\$198,663	\$243,322	\$500,000	\$3,538,884	\$928,646	\$4,467,530	-8.06%	-0.65%	79.21%	-\$104,469
2020-2021	\$2,616,468	\$200,160	\$241,992	\$450,000	\$3,508,620	\$1,059,605	\$4,568,225	14.10%	-0.86%	76.80%	\$100,695
2021-2022	\$2,554,337	\$195,407	\$244,881	\$450,000	\$3,444,625	\$1,085,637	\$4,530,262	2.46%	-1.82%	76.04%	-\$37,963
2022-2023	\$2,567,987	\$196,451	\$243,369	\$481,500	\$3,489,307	\$1,255,727	\$4,745,034	15.67%	1.30%	73.54%	\$214,772
2023-2024	\$2,711,059	\$207,396	\$256,191	\$553,725	\$3,728,371	\$1,329,447	\$5,057,818	5.87%	6.85%	73.72%	\$312,784
2024-2025	\$2,792,391	\$213,618	\$278,591	\$592,486	\$3,877,085	\$1,369,330	\$5,246,415	3.00%	3.99%	73.90%	\$188,597
2025-2026	\$2,876,162	\$220,026	\$286,948	\$633,960	\$4,017,097	\$1,410,410	\$5,427,507	3.00%	3.61%	74.01%	\$181,092
2026-2027	\$2,962,447	\$226,627	\$295,557	\$678,337	\$4,162,968	\$1,452,723	\$5,615,691	3.00%	3.63%	74.13%	\$188,184
2027-2028	\$3,051,321	\$233,426	\$304,424	\$725,821	\$4,314,991	\$1,496,304	\$5,811,295	3.00%	3.65%	74.25%	\$195,604
2028-2029	\$3,142,860	\$240,429	\$313,556	\$776,628	\$4,473,473	\$1,541,193	\$6,014,667	3.00%	3.67%	74.38%	\$203,372
2029-2030	\$3,237,146	\$247,642	\$322,963	\$830,992	\$4,638,743	\$1,587,429	\$6,226,172	3.00%	3.69%	74.50%	\$211,505

RECEIPTS AND EXPENSES

- ❖ Total general fund receipts increased this year due to Property Tax Credit
- ❖ Total tax receipts in September will be down significantly this year compared to previous years.
- ❖ Expenses may increase \$190K-\$200K annually.

RECEIPTS EXPENSES AND DIFFERENCE					
YEAR	Total Rec	Total Exp	Difference	Exp Inc	Rec Inc
2013-2014	\$4,344,680	\$4,034,768	\$309,912		
2014-2015	\$4,549,328	\$4,324,717	\$224,611	\$289,949	\$204,648
2015-2016	\$4,312,710	\$4,513,334	-\$200,624	\$188,617	-\$236,618
2016-2017	\$4,888,855	\$4,621,179	\$267,676	\$107,845	\$576,145
2017-2018	\$4,632,242	\$4,648,641	-\$16,399	\$27,462	-\$256,613
2018-2019	\$4,367,180	\$4,571,999	-\$204,819	-\$76,642	-\$265,062
2019-2020	\$4,545,112	\$4,467,530	\$77,582	-\$104,469	\$177,932
2020-2021	\$4,624,213	\$4,568,225	\$55,988	\$100,695	\$79,101
2021-2022	\$4,819,141	\$4,530,262	\$288,879	-\$37,963	\$194,928
2022-2023	\$4,931,010	\$4,745,034	\$185,976	\$214,772	\$111,869
2023-2024	\$5,668,214	\$5,057,818	\$610,396	\$312,784	\$737,204
2024-2025	\$6,893,979	\$5,246,415	\$1,647,564	\$188,597	\$1,225,765
2025-2026	\$5,977,427	\$5,427,507	\$549,919	\$181,092	-\$916,553
2026-2027	\$6,082,949	\$5,615,691	\$467,258	\$188,184	\$105,522
2027-2028	\$6,234,582	\$5,811,295	\$423,287	\$195,604	\$151,633
2028-2029	\$6,379,223	\$6,014,667	\$364,556	\$203,372	\$144,641
2028-2030	\$6,531,751	\$6,226,172	\$305,579	\$211,505	\$152,528

2025-2026 BUDGET

TAX REQUEST INFORMATION				
	2025-2026	2024-2025	2023-2024	2022-2023
General	\$4,397,475	\$4,240,350	\$4,127,778	\$3,646,465
Bond	\$247,475	\$242,424	\$252,525	\$222,222
Building	\$101,010	\$101,010		\$61,419
QCPUF	\$80,808	\$94,949	\$94,949	\$91,919
TOTAL	\$4,826,768	\$4,678,733	\$4,475,252	\$4,022,025

LEVY INFORMATION				
FUND	2025-2026	2024-2025	2023-2024	2022-2023
General	\$0.923743	\$1.007305	\$1.049519	\$1.031897
Bond	\$0.051985	\$0.057588	\$0.064206	\$0.062886
Building	\$0.021218	\$0.023995		\$0.017381
QCPUF	\$0.016975	\$0.022555	\$0.024142	\$0.026012
TOTAL	\$1.013921	\$1.111443	\$1.1379	\$1.1382

BUDGET INFORMATION				
	2025-2026	2024-2025	2023-2024	2022-2023
General	\$7,147,000	\$8,409,547	\$6,960,004	
Depreciation	\$568,222	\$361,340	\$374,533	
Employee Ben	\$27,187	\$23,426	\$25,309	
Contingency				
Activities	\$325,617	\$300,000	\$300,000	
Nutrition	\$311,690	\$280,000	\$250,000	
Bond	\$547,498	\$462,434	\$411,409	
Building	\$205,331	\$350,000	\$247,842	
QCPUF	\$166,777	\$191,929	\$270,332	
TOTAL	\$9,299,322	\$10,378,676	\$8,839,429	\$0

Total Expenses				
	2024-2025	2023-2024	2022-2023	2021-2022
General		\$5,057,829	\$4,745,023	\$4,532,417
Depreciation		\$19,617		\$81,367
Employee Ben			\$1,314	
Contingency				
Activities		\$244,539	\$224,098	\$222,858
Nutrition		\$209,181	\$193,657	\$202,882
Bond		\$217,516	\$217,240	\$215,877
Building		\$31,266	\$42,168	\$36,589
QCPUF		\$90,046	\$297,589	\$115,394
TOTAL	\$0	\$5,869,994	\$5,721,089	\$5,407,384

JOINT PUBLIC HEARING INFORMATION

Prior Year Non-Bond Property Tax Request				(1)	\$	4,341,360.00
<i>(Total Personal and Real Property Tax Required for All Other Purposes from prior year budget - Cover Page)</i>						
Base Limitation Percentage Increase (2%)				2.00	%	(2)
Real Growth Percentage Increase						
	6,804,339.00	/	420,959,919.00	=	1.62	% (3)
	2025 Real Growth Value per Assessor		Prior Year Total Real Property Valuation per Assessor			
Total Allowable Growth Percentage Increase (Line 2 + Line 3)						(4) 3.62
Allowable Dollar Amount of Increase to Property Tax Request (Line 1 x Line 4)						(5) \$ 157,157.23
TOTAL PROPERTY TAX REQUEST (Line 1 + Line 5)						(6) \$ 4,498,517.23
<i>(Without needing to attend Joint Public Hearing, or be included on postcard notification)</i>						
ACTUAL PROPERTY TAX REQUEST						
2025-2026 ACTUAL Non-Bond Property Tax Request				(7)	\$	4,498,485.00

DESCRIPTION OF FUNDS

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.

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.

CONTINGENCY FUND

A Contingency Fund is authorized by statute (§79-1072) and may be established by a school district to fund uninsured losses and legal fees incurred by the school district for defense against public losses. Expenditures from this fund shall not exceed five percent of the total budgeted General Fund expenditures of the school district. To allocate monies from the General Fund, a school district shall show the movement of monies as an expense from the General Fund, and the Contingency Fund shall show the revenue as a transfer from the General 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.

SCHOOL NUTRITION FUND

The School Nutrition Fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. The School Nutrition Fund shall reflect a record of all revenues and expenditures incident to the operation of all Nutrition

Programs. 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 General Fund to the School Nutrition Fund are allowed but those funds cannot be transferred back to the General Fund.**

BOND FUND

The Bond Fund shall be used to record tax receipts, investment interest, and the payment of bond principal, interest, and other related costs (i.e., trustee fees). If the fund balance is not sufficient to meet interest or bond retirement payments from the Bond Fund, the General Fund shall be used for these payments. Revenue from a levy to retire bonds in any school district is retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the school district. Funds shall be disbursed upon appropriate demand. All records of the transactions in this area shall be maintained in this fund. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended on the actual building project. The tax levy for this fund is restricted for expenditures other than principal and interest on bonds. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended on the actual building project.

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 last year bonds 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, and 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.

COOPERATIVE FUND

The Cooperative Fund may be used by the school district acting as the fiscal agent for any cooperative activity between one or more public agencies. All school districts, including the school district acting as the fiscal agent, shall show the payment for services to the cooperative in their General Fund. \$0 budget

STUDENT FEES FUND

The Student Fee Fund is a separate school district fund not funded by tax revenue into which all money collected from students pursuant to the Public Elementary and Secondary Student Fee Authorization Act must be deposited. Included are fees for Extracurricular Activities, Postsecondary Education and Summer/Night School. Expenditures from this fund must be for the purposes for which the fees were collected.