

**Glossary of  
School Finance Terms**

IN REPLY TO  
OF THE BOARD OF DIRECTORS

## GLOSSARY OF SCHOOLS FINANCE TERMS

**Ad Valorem Taxes** - Taxes levied on the assessed valuation of real and personal property located within the boundaries of the district which is final authority in determining the amount to be raised for education purposes.

**Agency Fund** - A fund used 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.

**Appropriation** - The setting aside by resolution of a specified amount of money for a fund with an authorization to make expenditures and incur obligations for the purposes thereof.

**Appropriation Resolution** - A formal resolution by a board of education to set aside a specified amount of money for a fund with an authorization to make expenditures and incur obligations for specific purposes.

**Assessed Valuation (AV)** - A valuation set upon real estate or other property by a government as a basis for levying taxes.

**School Board** - The Board of Education for a school district. Each school district is to be governed by a board of education consisting of the number of school directors proscribed by law. The board possesses all powers delegated to a board of education or to a school district by law, and performs all duties required by law.

**Borrowing** - A board may, by resolution, authorize the borrowing of unencumbered money from one fund to another (except the Bond Redemption Fund). Such money must be repaid when needed by the lending fund, but in any event must be repaid within three months after the beginning of the following budget year.

**Budget** - A summary statement of plans expressed in quantitative terms; a forecast of future events including anticipated revenue and expenditures, and the financial position of a district at some point in time.

**Budget Year** - July 1 through June 30 constitutes the mandatory budget year for public school districts for all funds.

**Capital Outlay** - An expenditure which results in the acquisition of fixed assets or additions to fixed assets which are presumed to have benefits for more than one year. It is an expenditure for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional and replacement of equipment.

**Capital Improvement Fund** - A type of “special revenue fund” whose uses and limitations are specified by legal authority.

**Categorical Program Support Funds** - Educational support funds provided from a higher governmental level and specifically limited to (earmarked for) a given purpose.

**Contingency Reserve** - Moneys in the Contingencies Reserve shall be available for use by the school district for emergencies and other contingencies.

**District** - Any public school district organized under the laws of Louisiana.

**District Funding** - The District funding cost of a district for any budget year shall be the amount derived by multiplying the number of instructional units of the district for said budget year by the amount of the district’s setting category.

**Endowment Fund** - A fund from which the income may be expended, but whose principal must remain intact. See Trust and Agency Fund.

**Enterprise Fund** - A fund to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be finance or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Equalization, State** - General State aid or support provided to the District.

**Expenditures** - Charges incurred, whether paid or unpaid which are presumed to benefit the current fiscal year.

**Fiduciary Fund** - These are trust and agency funds used 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.

**Fiscal Year (FY)** - A 12-month accounting pay period beginning July 1 and ending June 30 of the following year.

**Food Service Fund** - A type of special revenue fund used to record financial transactions related to food service operations.

**Function** - The action a person takes or the purpose for which a thing exists or is used. Function includes the activities or actions which are performed to accomplish the objectives of an enterprise. The activities of a school district are classified into five broad areas of functions: Instruction, Supporting Services, Community Services, Non-programmed Charges and Debt Services.

**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, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance** - The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the periods over its liabilities, reserves, and appropriations for the period.

**General Fund** - A fund to account for all financial resources except those required to be accounted for in another fund. All revenues, except those revenues attributable to the Bond Redemption Fund, the Capital Improvement Fund, the Special Building fund, the Insurance Reserve fund and any other fund authorized by the State Board of Education, shall be accounted for in the General Fund. Any lawful expenditure of the school district, including any expenditure of a nature which could be made from any fund, may be made from the General Fund.

**General Fixed Assets Account Group (GFAAG)** - The government's general fixed assets – all fixed assets except those accounted for in proprietary funds of trust funds – are not financial resources available for expenditure. The GFAAG is a self-balancing account group. This account group is not a fund – it does not reflect available financial resources and related liabilities – but it contains accounting records of the general fixed assets and certain associated information.

**General Long-Term Debt Account Group** - The unmatured principal of bonds, warrants, notes, special assignments debt for which the government is obligated on some manner, or other forms of non-current or long-term general obligation debt that is not a specific liability of any proprietary fund or trust fund. General long-term general obligation debt is not limited to liabilities arising from debt issuances perse, but may also include non-current liabilities on capital leases, compensated absences, claims and judgements, pension, special termination benefits and other commitments that are not current liabilities properly recorded in governmental funds.

**Handicapped Education** – Education for those children who are unable to receive reasonable benefits from ordinary education in the public schools because of specific handicapping conditions.

**Income** – The excess of revenue earned over the related expenses for given time period.

**Instructional Supplies and Materials** – Instructional supplies and material include, but are not limited to, supplies, textbooks, library books, periodicals, warehouse inventory adjustment and other supplies and materials.

**Internal Service Fund** – A fund established to finance and account for goods or services provided by a designated department or agency to other departments or agencies within a single governmental unit. Amounts expended by the fund are restored there to either from operating earning or by transfer from other funds, so that the original fund capital is kept intact.

**Intrafund Transfer** – Money which is taken from one function or object within fund and transferred to another function object within the same fund.

**Intra/Intergovernmental Service Fund** – Used to account for the financing or special activities and services performed by a designated organization unit within a school district jurisdiction for other organization unit within the school district's jurisdiction. See Internal Service Fund.

**Legal Investment** – Investments which governmental units are permitted to make by law.

**Mill Levy** – The rate of taxation based on dollars per thousand of assessed valuation.

**Modified Accrual Basis** – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments are recognized when they become both “measurable” and “available” to finance expenditures of the current period”. “Available “ means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recognized when the fund liability is incurred except for inventories of materials and supplies that may be considered expenditures either when purchased or when used and prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

**Object** – A category of goods or service purchased.

**Per Pupil Operating Revenues** – The equalization program funding of a district for any budget year, divided by the funded pupil count of the district for said budget year.

**Reserve** – An account which record a portion of the fund balance which is designated for some future use and which is, therefore not available for future appropriation for expenditure. A Reserve for Inventories equal in amount to the Inventory of Supplies on the balance sheet of a General Fund is an example of such a reserve.

**Retained Earnings** – An equity account reflecting the accumulated earning of an enterprise or internal service fund.

**Revenues** – Addition to assets which do not increase any liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

**Source of Funds** – this dimension identifies the expenditure with source or revenue, i.e., local, country, state, federal, and other to differentiate categorical aid expenditures from non-categorical expenditures.

**Special Revenue** – A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects: that are legally restricted to expenditure for specific purposes. Under NCGA Statement 1, the use of Special revenue Funds is required only when legally mandated.

**Personal Property Tax** – An annual tax imposed upon each taxable item of certain classified personal property, such as motor vehicles, which tax is computed in accordance with state schedules applicable to each sale of personal property.

**Supplemental Budget** – Where money for a specific purpose from other than ad valorem taxes subsequently (following adoption of the budget) becomes available to meet a contingency, a supplemental budget for expenditures not to exceed the amount of said money may be adopted and appropriation of said money made therefrom.

**Transfers** – This object category does not represent a purchase; rather, it is used as an accounting entity to show that funds have been handled without having goods and service rendered in return. Included here are transactions for interchanging money from one fund to the other and for transmitting flow-through funds to the recipient (person or agency).

**Trust Fund** – A fund used to account for money and property held in trust by a district for individuals, government entities or non-public organizations. A Trust Fund is usually in existence over a longer period of time than an Agency Fund.

**Unencumbered Appropriation** – that portion of an appropriation not yet expended or encumbered.

**Vendor** – An individual or corporation that provides services, supplies, or equipment to the district.

**Voucher** – A document which authorizes the payment of money and usually indicates the accounts to be charged.

**Yield** – The rate of annual income returned on a investment, expressed as a percentage. (a) Income yield is obtained by dividing the current market price for the security. (b) Net yield of maturity is the current income yield minus any premium above par or plus any discount for par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond

Budget Adoption  
Resolution



**LAFAYETTE PARISH SCHOOL BOARD**  
**Lafayette, Louisiana**

**RESOLUTION 06-08-1616**

**ADOPTION OF BUDGET FOR FISCAL YEAR 2008-2009**

**WHEREAS**, the Lafayette Parish School Board held public workshops on February 19, 2008, March 18, 2008, April 15, 2008, and April 17, 2008; in addition to a Special Board Meeting on May 20, 2008; to receive and discuss information related to the proposed budgets for fiscal year 2008-2009; and,

**WHEREAS**, the Lafayette Parish School Board advertised in The Daily Advertiser on June 5, 2008 and June 6, 2008 that a Public Hearing and Public Special Board Meeting would be held on June 18, 2008 to adopt the Unified Budget for Fiscal year 2008-2009; and,

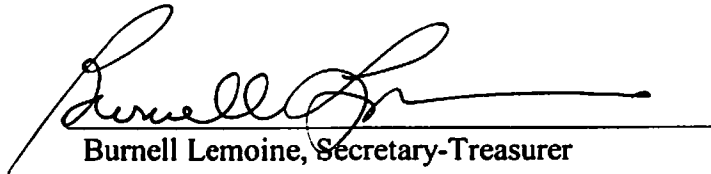
**WHEREAS**, the Public Hearing was held on June 18, 2008; now,

**THEREFORE, BE IT RESOLVED**, that the Lafayette Parish School Board, does hereby adopt the Lafayette Parish School Board Unified Budget for fiscal year 2008-2009.

**C E R T I F I C A T E**

I, the undersigned Secretary-Treasurer of the Lafayette Parish School Board, do hereby certify that the above and foregoing is a true copy of a resolution adopted at its Special Board Meeting of June 18, 2008, at which time a quorum was present and that same is in full force and effect.

Dated at Lafayette, Louisiana  
this 18<sup>th</sup> day of June, 2008.

  
Burnell Lemoine, Secretary-Treasurer  
LAFAYETTE PARISH SCHOOL BOARD

**Public Notice  
Advertisements**

# THE ADVERTISER

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LAFAYETTE, LA 70506

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## AFFIDAVIT OF PUBLICATION

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I, ROSE PENFOLD, do solemnly swear that I am the LEGAL CLERK of THE ADVERTISER,  
a newspaper printed and published at Lafayette, in the Parish of Lafayette, State of Louisiana, and  
that from my personal knowledge and reference to the files of said publication, the advertisement of

### PUBLIC NOTICE

#### LAFAYETTE PARISH SCHOOL BOARD

The Lafayette Parish School Board will hold a public hearing to review the 2008-2009 budget. The hearing will be held on June 18, 2008 at 4:00 p.m. in the Lafayette Parish School Board's Central Office Board Room. Following the hearing, the Board will hold a Special Board Meeting at 4:30 p.m. to adopt the 2008-2009 budget

was published in THE ADVERTISER on the following dates:

\*Thursday, June 5, 2008

\*Friday, June 6, 2008

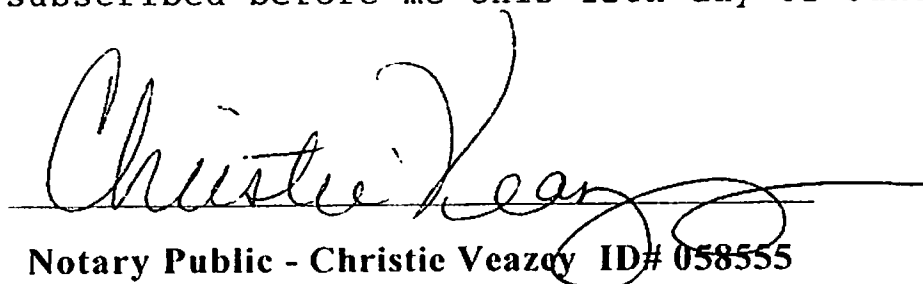


ROSE PENFOLD  
LEGAL CLERK

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Sworn to and subscribed before me this 12th day of June, 2008.



Notary Public - Christie Veazey ID# 058555

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