

## EDUCATION FUND

**Purpose:** The Education Fund is used to fund expenses that are tied directly to academic achievement and student support. Expenses include teacher salaries and benefits, other classroom staff salaries and benefits, along with direct and indirect classroom expenditures.

**Revenue Sources:** Most of the revenue in the Education Fund comes from the State of Indiana, through the funding formula.

**Property Tax Impact:** No property taxes are used for the Education Fund.

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## OPERATIONS FUND

**Purpose:** The Operations Fund is used for equipment, maintenance, construction and repair of buildings, land acquisition, and fees for professional services. This includes many maintenance contracts, and the contract for our copier machines. All district wide utilities are paid from this fund as well as insurance premiums.

Additionally, the fund includes all Capital Project, Transportation, and Bus Replacement expenditures. The salaries and benefits of the office of superintendent, business, human resources, custodial, and maintenance are paid from this fund.

**Revenue Sources:** Most of the revenue in this fund comes from property tax and other local taxes. Schools are permitted to transfer up to 15% of revenue from the Education Fund to the Operations Fund each year.

**Property Tax Impact:** This fund has a property tax rate limit that is established by a complicated formula. Because of the complexity of the formula, it has been the subject of legislation. Conceptually, this formula causes the tax rate to go down when the assessed value goes up, effectively limiting the revenue in this fund.

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## DEBT SERVICE FUND

**Purpose:** The Debt Service Fund is used to make payments on our long-term debt. In addition, this fund is used to pay for uncollected textbook rental fees.

**Revenue Sources:** More than 99% of the revenue in this fund comes from property tax and other local taxes.

**Property Tax Impact:** There are no limits on the tax rate or levy, but each individual item in the budget for this fund must be approved by the Department of Local Government Finance (DLGF) on the Debt Service Worksheet submitted to the State. The tax rate tends to fluctuate from year to year. The amount of cash balance in this fund is also controlled by a state formula dependent upon when the debt was incurred.