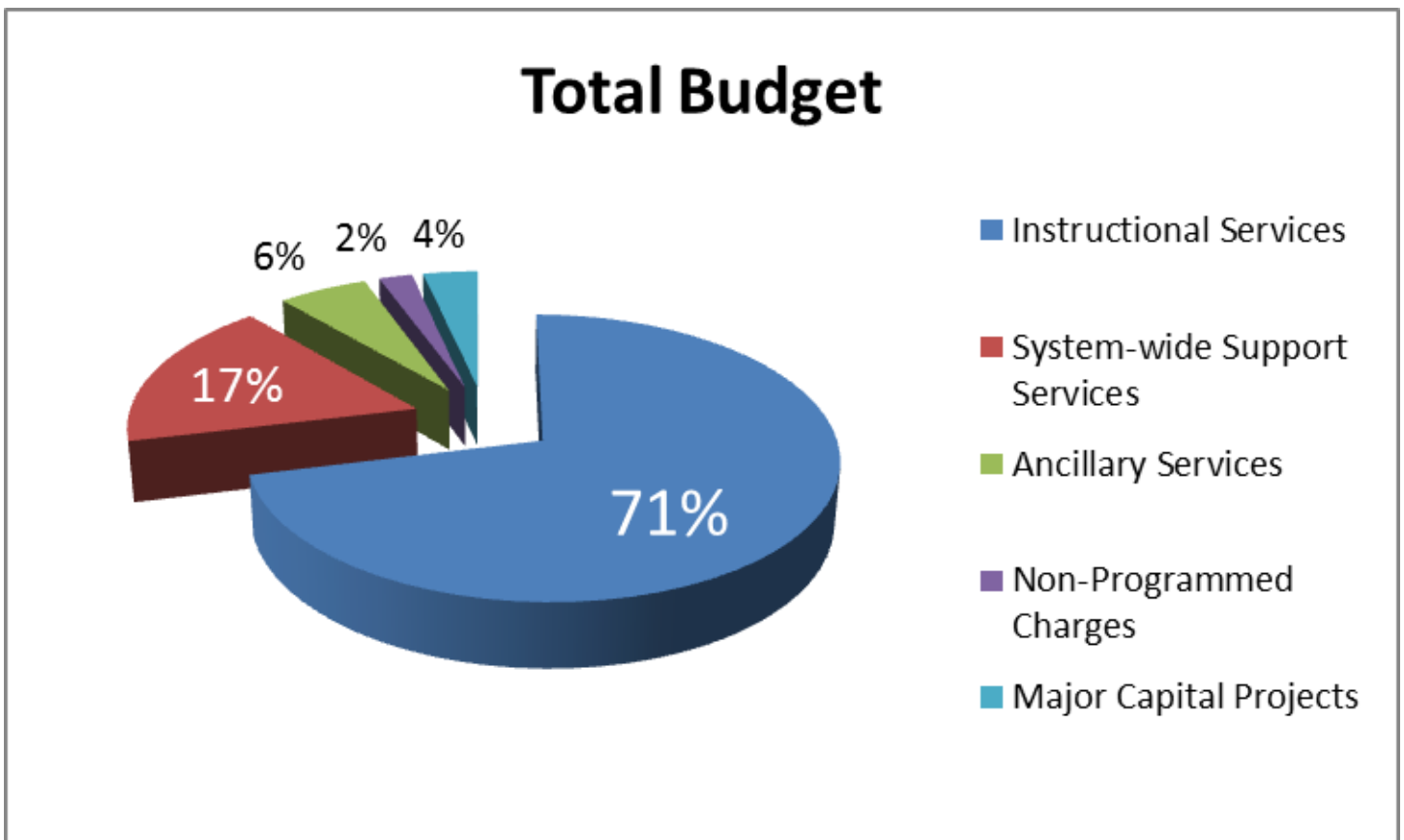


Overview of the Budget as a Whole

The 2014-15 Buncombe County Schools budget consists of six separate funds that are defined in a State-mandated chart of accounts. The legal level of control for expenditures is the Purpose, again defined by the State chart of accounts are shown on the chart below.

| Purpose | State Public School Fund Fund 1 | Local Current Expense Fund Fund 2 | Federal Grants Fund Fund 3 | Capital Outlay Fund Fund 4 | Child Nutrition Fund Fund 5 | Other Specific Revenue Fund Fund 8 | Total Budget |
|------------------------------|---------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------|------------------------------------|----------------------|
| Instructional Services | \$120,223,415 | \$32,322,884 | \$13,105,120 | \$3,166,201 | | \$5,272,171 | \$174,089,791 |
| System-wide Support Services | \$15,736,762 | \$23,118,758 | \$1,075,886 | \$455,300 | | \$2,227,301 | \$42,614,007 |
| Ancillary Services | \$91,011 | \$29,077 | | \$5,000 | \$13,809,925 | \$31,300 | \$13,966,313 |
| Non-Programmed Charges | | \$2,642,967 | \$1,402,236 | \$297,244 | \$700,018 | \$183,185 | \$5,225,650 |
| Major Capital Projects | | | | \$8,558,762 | | | \$8,558,762 |
| Total | \$136,051,188 | \$58,113,686 | \$15,583,241 | \$12,482,507 | \$14,509,943 | \$7,713,957 | \$244,454,522 |

As is shown graphically below, Instructional Services make up almost three quarters of the total budget, even when the Capital Outlay Fund and the Child Nutrition Fund are included.

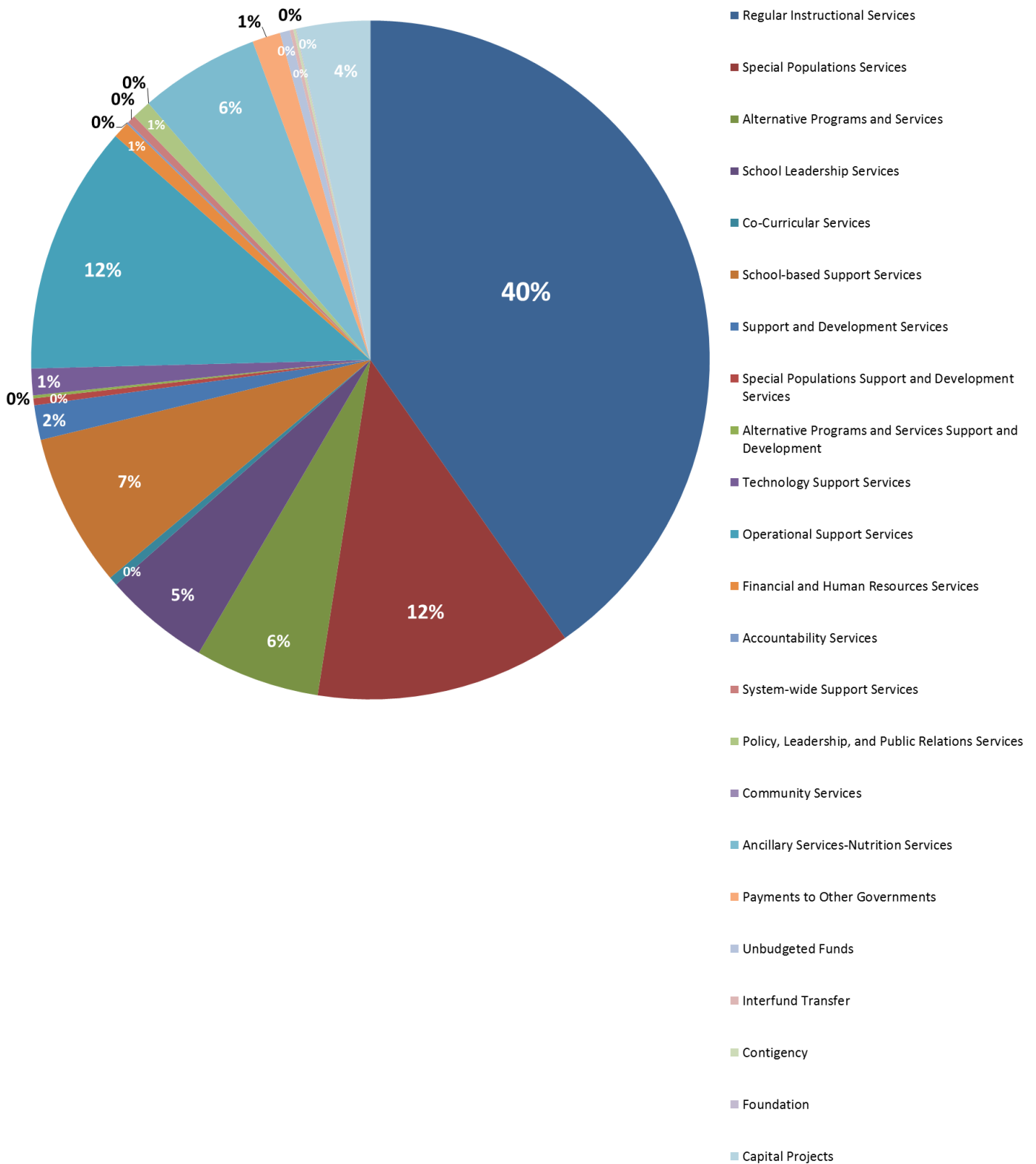


Within the basic “purpose” framework shown above, the State chart of accounts is structured to allow increasing levels of detail to be shown to provide additional detail about what types of programs and services are offered. The table on the next page shows the entire budget at the purpose-function level.

| | Purpose-Function Category | Fund 1 | Fund 2 | Fund 3 | Fund 4 | Fund 5 | Fund 8 | Total |
|------|---|----------------------|---------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| 5100 | Regular Instructional Services | \$80,213,318 | \$14,159,563 | \$592,353 | \$1,280,201 | | \$2,201,545 | \$98,446,980 |
| 5200 | Special Populations Services | \$18,786,541 | \$4,275,798 | \$5,564,845 | \$15,000 | | \$1,219,666 | \$29,861,850 |
| 5300 | Alternative Programs and Services | \$6,749,991 | \$684,432 | \$6,784,832 | | | \$330,788 | \$14,550,043 |
| 5400 | School Leadership Services | \$5,896,650 | \$6,401,240 | | | | \$53,202 | \$12,351,092 |
| 5500 | Co-Curricular Services | | \$1,039,198 | | | | | \$1,039,198 |
| 5800 | School-based Support Services | \$8,576,915 | \$5,762,653 | \$163,090 | \$1,871,000 | | \$1,466,970 | \$17,840,628 |
| 6100 | Support and Development Services | \$783,865 | \$1,018,807 | \$777,498 | \$71,600 | | \$1,384,978 | \$4,036,748 |
| 6200 | Special Populations Support and Development Services | \$542,910 | \$184,198 | \$75,842 | | | \$684 | \$803,634 |
| 6300 | Alternative Programs and Services Support and Development | | \$76,598 | \$202,233 | | | \$62,933 | \$341,764 |
| 6400 | Technology Support Services | \$405,776 | \$2,690,539 | | | | | \$3,096,315 |
| 6500 | Operational Support Services | \$13,258,099 | \$14,626,833 | \$20,312 | \$354,700 | | \$736,539 | \$28,996,483 |
| 6600 | Financial and Human Resources Services | \$251,616 | \$1,684,280 | | | | \$1,311 | \$1,937,207 |
| 6700 | Accountability Services | \$101,671 | \$114,375 | | | | | \$216,046 |
| 6800 | System-wide Support Services | \$105,640 | \$807,337 | | \$19,000 | | \$40,856 | \$972,833 |
| 6900 | Policy, Leadership, and Public Relations Services | \$287,185 | \$1,915,791 | | \$10,000 | | | \$2,212,976 |
| 7100 | Community Services | | | | | | \$2,500 | \$2,500 |
| 7200 | Ancillary Services-Nutrition Services | \$91,011 | \$29,077 | | \$5,000 | \$13,809,925 | \$28,800 | \$13,963,813 |
| 8100 | Payments to Other Governments | | \$2,264,355 | \$270,922 | | \$700,018 | \$43,247 | \$3,278,542 |
| 8200 | Unbudgeted Funds | | | \$1,131,314 | | | \$19,657 | \$1,150,971 |
| 8400 | Interfund Transfer | | \$378,612 | | | | \$39,743 | \$418,355 |
| 8500 | Contingency | | | | \$297,244 | | | \$297,244 |
| 8600 | Foundation | | | | | | \$80,538 | \$80,538 |
| 9000 | Capital Projects | | | | \$8,558,762 | | | \$8,558,762 |
| | Total | \$136,051,188 | \$58,113,686 | \$15,583,241 | \$12,482,507 | \$14,509,943 | \$7,713,957 | \$244,454,522 |

As the pie chart on the following page shows, over 40% of the entire \$244,454,522 budget is focused on regular instructional programs, even when the Capital Outlay Fund and the Child Nutrition Fund are included. The next largest areas of focus are on special populations services (over 12%) and operational support services (almost 12%). Other areas of concentration are on School-based support services (almost 7%), Alternative Programs and Services (almost 6%), Nutrition Services (almost 6%) and School Leadership Services (over 5%).

| | |
|---|--------|
| Regular Instructional Services | 40.27% |
| Special Populations Services | 12.22% |
| Alternative Programs and Services | 5.95% |
| School Leadership Services | 5.05% |
| Co-Curricular Services | 0.43% |
| School-based Support Services | 7.30% |
| Support and Development Services | 1.65% |
| Special Populations Support and Development Services | 0.33% |
| Alternative Programs and Services Support and Development | 0.14% |
| Technology Support Services | 1.27% |
| Operational Support Services | 11.86% |
| Financial and Human Resources Services | 0.79% |
| Accountability Services | 0.09% |
| System-wide Support Services | 0.40% |
| Policy, Leadership, and Public Relations Services | 0.91% |
| Community Services | 0.00% |
| Ancillary Services-Nutrition Services | 5.71% |
| Payments to Other Governments | 1.34% |
| Unbudgeted Funds | 0.47% |
| Interfund Transfer | 0.17% |
| Contingency | 0.12% |
| Foundation | 0.03% |
| Capital Projects | 3.50% |



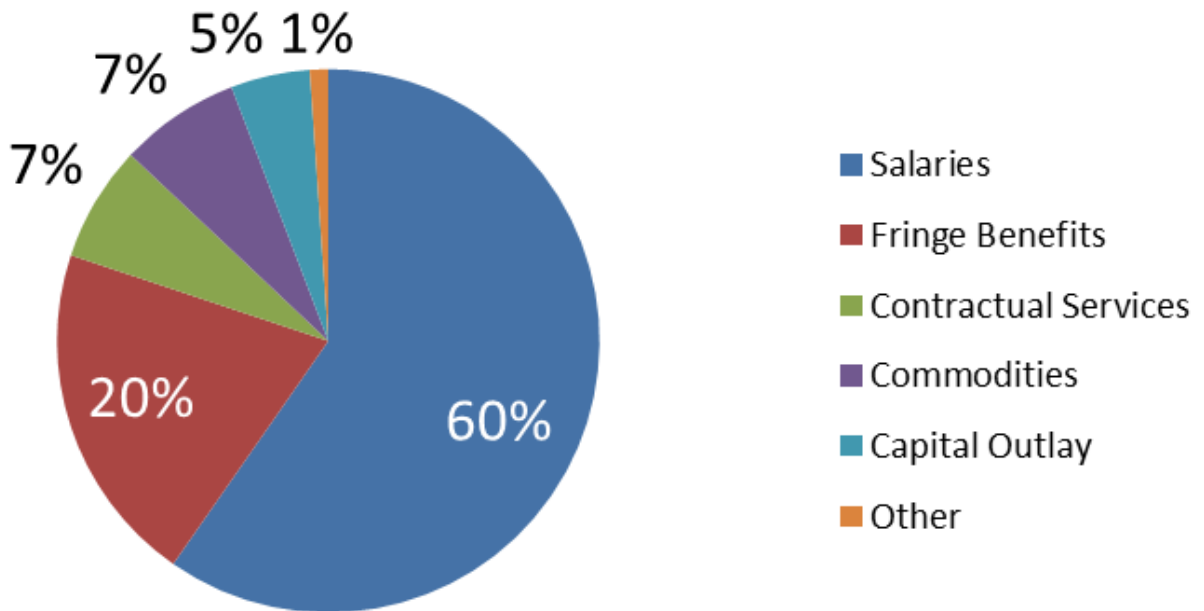
Another way to look at the total budget is by object of expenditure. Because the object level is so detailed, it is often more helpful to look at a summary by the first two of the three digits that make up the object code as shown below.

| Object Category | Fund 1 | Fund 2 | Fund 3 | Fund 4 | Fund 5 | Fund 8 | Total |
|---|---------------|--------------|--------------|--------------|--------------|-------------|---------------|
| 11X – Licensed Central Office Administrators | \$5,330,878 | \$1,564,900 | \$72,834 | | \$69,200 | | \$7,037,812 |
| 12X – Licensed Instructional Personnel | \$65,022,235 | \$4,203,211 | \$1,548,185 | | | \$1,112,802 | \$71,886,433 |
| 13X – Licensed Instructional Support Personnel | \$10,159,895 | \$1,139,065 | \$1,267,183 | | | \$696,067 | \$13,262,210 |
| 14X – Non-licensed Instructional Support Personnel | \$6,252,664 | \$3,243,263 | \$4,621,868 | | | \$159,913 | \$14,277,708 |
| 15X – Non-licensed Technical and Administrative Support Personnel | \$141,577 | \$5,565,016 | \$120,008 | | \$329,100 | \$168,165 | \$6,323,866 |
| 16X – Substitute Personnel | \$318,224 | \$1,028,656 | \$288,653 | | \$18,000 | \$38,166 | \$1,691,699 |
| 17X – Operational Support Personnel (trades workers and custodians) | \$7,806,141 | \$3,330,138 | \$1,500 | | \$3,692,000 | \$278,167 | \$15,107,946 |
| 18X – Supplementary and Benefits-related Pay | \$2,638,038 | \$10,056,034 | \$772,899 | | \$576,457 | \$444,800 | \$14,488,228 |
| 19X – Extra-duty Pay | \$96,469 | \$1,497,917 | \$66,011 | | \$7,450 | \$152,207 | \$1,820,054 |
| 21X – Employer Payments under Federal Insurance Compensation Act | \$7,298,694 | \$2,372,125 | \$670,074 | | \$332,820 | \$230,003 | \$10,903,716 |
| 22X – Retirement Benefits | \$14,146,081 | \$4,378,574 | \$1,019,770 | | \$478,374 | \$391,186 | \$20,413,985 |
| 23X – Insurance Benefits | \$11,933,012 | \$3,723,679 | \$1,575,108 | | \$1,057,064 | \$333,559 | \$18,622,422 |
| 31X – Professional and Technical Services | \$1,791,082 | \$2,178,057 | \$884,776 | | \$70,000 | \$1,441,399 | \$6,365,314 |
| 32X – Property Services | \$28,000 | \$5,966,896 | \$350 | | \$5,000 | \$380,000 | \$6,380,246 |
| 33X – Transportation Services | \$81,451 | \$201,275 | \$103,080 | | \$20,000 | \$30,554 | \$436,360 |
| 34X – Communication Services | \$7,165 | \$280,875 | \$600 | | \$250 | \$4,200 | \$293,090 |
| 35X – Tuition | \$16,874 | \$4,540 | \$8,500 | | | \$9,086 | \$39,000 |
| 36X – Dues and Fees | \$250 | \$95,675 | \$9,768 | | \$3,300 | \$22,290 | \$131,283 |
| 37X – Insurance and Judgments | | \$669,069 | | | \$3,000 | \$2,750 | \$674,819 |
| 39X – Other Administrative Costs | | \$75,000 | \$1,402,236 | \$297,244 | \$686,299 | \$75,438 | \$2,536,217 |
| 41X – School and Office Supplies | \$1,640,762 | \$2,355,548 | \$1,049,810 | | \$150,000 | \$1,073,569 | \$6,269,689 |
| 42X – Operational Supplies | \$1,131,396 | \$1,601,411 | | | \$117,023 | \$75,721 | \$2,925,551 |
| 45X – Food Supplies | \$1,000 | \$11,300 | | | \$6,492,887 | \$2,228 | \$6,507,415 |
| 46X – Non-capitalized Equipment | \$188,222 | \$500 | \$100,027 | \$1,239,077 | \$178,000 | \$181,434 | \$1,887,260 |
| 47X – Sales and Use Tax | \$15,000 | (\$60,000) | | | \$13,719 | | -\$31,281 |
| 51X – Purchase of Land | | | | | | | \$0 |
| 52X – Purchase/construction of Buildings | | | | \$7,142,735 | | | \$7,142,735 |
| 53X – Purchase/construction of Improvements other than Buildings | | | | \$1,299,050 | | | \$1,299,050 |
| 54X – Purchase of Equipment | | | | \$2,322,401 | \$150,000 | \$370,510 | \$2,842,911 |
| 55X – Purchase of Vehicles | \$6,078 | \$350 | | \$182,000 | | | \$188,428 |
| 57X -- Depreciation | | | | | \$60,000 | | \$60,000 |
| 71X – Transfers to Other Funds | | \$2,630,612 | | | | \$39,743 | \$2,670,355 |
| 85X -- Contingency | | | | | | | \$0 |
| | \$136,051,188 | \$58,113,686 | \$15,583,241 | \$12,482,507 | \$14,509,943 | \$7,713,957 | \$244,454,522 |

Because even the two digit summary level by object of expenditure is so detailed, it does not display well on a pie chart. Generally, as shown on the next page, a pie chart best illustrates what types of expenditures are budgeted when the object code is summarized on the first digit.

| Total Budget by Expenditure Type | |
|----------------------------------|---------------|
| 1XX Salaries | \$145,895,957 |
| 2XX Fringe Benefits | \$49,940,124 |
| 3XX Contractual Services | \$16,856,328 |
| 4XX Commodities | \$17,558,635 |
| 5XX Capital Outlay | \$11,533,124 |
| 6XX Other | \$2,670,355 |
| | \$244,454,522 |

Total Budget by Object



As depicted on the pie chart above, personnel services (salaries and fringe benefits) total 80% of the 2014-15 budget, even when the Capital Outlay Fund is included.

A third way to look at the budget is by program report code (PRC). In the case of the State Public School Fund and the Federal Grants Fund, the PRC represents a categorical allotment or grant that can only be used for a specific purpose. The State-mandated chart of accounts also defines many PRC's. Whenever a local expenditure supplements the funding provided by the State Public School Fund or the Federal Grants Fund, the State requires the use of the same PRC in local funds. The budget transmittal letter and budget document details the changes in funding by PRC between 2013-14 and 2014-15 for the State Public School Fund, the Local Current Expense Fund, the Federal Grants Fund, and the Other Specific Revenue Fund.

The source of revenue to the budget as a whole is shown on the chart on the next page and depicted graphically on the next page. Please note that if only the operating budget is categorized by revenue, the county appropriation percentage rises to around 24% of total revenue sources available.

| Revenue Sources | State Public School Fund Fund 1 | Local Current Expense Fund Fund 2 | Federal Grants Fund Fund 3 | Capital Outlay Fund Fund 4 | Child Nutrition Fund Fund 5 | Other Specific Revenue Fund Fund 8 | Total Budget |
|-------------------------------------|---------------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------|------------------------------------|---------------|
| State Public School Fund Allotments | \$136,051,188 | | | | | | \$136,051,188 |
| Other State Funding | | | | \$1,606,285 | | \$154,849 | \$1,761,134 |
| Federal Grants Fund Allotments | | | \$15,583,241 | | | | \$15,583,241 |
| Other Federal Funding | | | | | \$9,152,328 | \$4,083,313 | \$13,235,641 |
| County Appropriation | | \$51,390,856 | | | | \$276,116 | \$51,666,972 |
| Other Local Revenue | | \$750,000 | | \$9,696,880 | \$4,451,795 | \$2,369,663 | \$17,268,338 |
| Appropriated Fund Balance | | \$5,972,830 | | \$1,179,342 | \$905,820 | \$830,016 | \$8,888,008 |
| Total | \$136,051,188 | \$58,113,686 | \$15,583,241 | \$12,482,507 | \$14,509,943 | \$7,713,957 | \$244,454,522 |

