

PROPOSED BUDGET OF EXPENDITURES
WITH TAX LEVY FOR FISCAL YEAR
BEGINNING JULY 1, 2008 TO AND INCLUDING JUNE 30, 2009

The Board of Directors of Lavaca School District No. 3 of Sebastian County, Arkansas, in compliance with the requirements of Amendments No. 40 and No. 74 to the Constitution of the State of Arkansas and of Ark. Code Ann. § 6-13-622 (2005 Supp.), has prepared, approved and hereby makes public the proposed budget of expenditures, together with the tax rate, as follows:

1.	Salary Fund Expenditures	3,431,000
2.	Instructional Expense	992,000
3.	Maintenance & Operation Expense	630,000
4.	Dedicated Maintenance and Operation Expenditures	-0-
5.	Pupil Transportation Expense	228,000
6.	Other Operating Expense	791,000
7.	Non-Bonded Debt Payment	124,802
8.	Bonded Debt Payment	739,748
9.	Building Fund Expense	6,375,000

To provide for the foregoing proposed budget of expenditures, the Board of Directors proposes a total school tax rate (state and local) of 41.9 mills on the dollar of the assessed value of taxable property located in this School District. The proposed tax includes the uniform rate of tax of 25.0 mills (the "Statewide Uniform Rate") to be collected on all taxable property in the State and remitted to the State Treasurer pursuant to Amendment No. 74 to the Arkansas Constitution to be used solely for maintenance and operation of schools in the State. As provided in Amendment No. 74, the Statewide Uniform Rate replaces a portion of the existing rate of tax levied by this School District and available for maintenance and operation of schools in this District. The total proposed school tax levy of 41.9 mills includes 25.0 mills specifically voted for general maintenance and operation, 11.6 mills voted for debt service previously voted as a continuing levy pledged for the retirement of existing bonded indebtedness, and 5.3 new debt service mills. The 5.3 new debt service mills plus the 11.6 existing debt service mills now pledged for the retirement of existing bonded indebtedness, which debt service mills will continue after the retirement of the bonds to which now pledged, will be a continuing debt service tax until the retirement of proposed bonds to be issued

in the principal amount of \$8,575,000 and which will mature over a period of 30 years and will be issued for the purpose of refunding the District's bonds, dated May 1, 2001 and August, 1 2006, erecting and equipping a new auditorium, erecting and equipping new classrooms, and constructing, refurbishing, remodeling and equipping school facilities. The surplus revenues produced each year by debt service millage may be used by the District for other school purposes.

The total proposed school tax levy of 41.9 mills represents a 5.3 mill increase over the current tax rate.

GIVEN this 11th day of June, 2007.

BOARD OF DIRECTORS OF LAVACA
SCHOOL DISTRICT NO. 3 OF SEBASTIAN
COUNTY, ARKANSAS

President of Board

Secretary of Board

INSTRUCTIONS: After its adoption, publish budget one time in a newspaper published in Sebastian County, not later than sixty days prior to the election date.