

2015/16 Budget Amendments  
Prepared by: Scott Bacon  
June 27, 2016

We are presenting budget amendments for the following school district funds:

General Fund	Debt Fund
Athletic Fund	Capital Projects Fund
Cafeteria Fund	

These are the first and only amendments to the budgets that were approved June 29, 2015. The attached document attempts to provide a narrative of the changes by budget category.

Adjustments have been made at this point based on every account being reviewed (general fund has approximately 110 revenue accounts and 1,645 expenditure accounts). Every employee's salary was calculated along with the associated fringe benefits. Adjustments have been included for administration's final expectations for volatile areas such as fuel and utility costs. While we did adopt the original 2015/16 budget based upon our overall projections, the projected increases and decreases were made to a few of the larger budget areas rather than to each of the 1,645 expenditure accounts. Thus during this amendment process some areas were "skewed" a bit.

Please remember that the amendments (by law) are to change what we adopted to where we believe we are now. This paperwork process must be done that way. Ultimately we are showing an amended general fund expenditure budget for 2015/16 that is 1.77% (\$913,478) more than originally budgeted. The largest part of the \$913,478 was because the state increased our retirement costs by \$761,767 required by the state to be recorded by local districts (but reimbursed in our revenues). There were a number of other "pluses" and "minuses", totaling \$151,711 that ultimately played into our final 2015/16 budget numbers and are referenced in the following pages.

I am confident this amended budget has been reviewed appropriately and accurately represents how the 2015/16 fiscal year should play out.

HARTLAND CONSOLIDATED SCHOOLS  
HARTLAND, MICHIGAN

AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
Education of Hartland Consolidated Schools

Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2015-16 General Fund is amended as follows:

<u>REVENUES</u>	<u>LAST APPROVED</u> <u>6/29/2015</u>	<u>AS AMENDED</u> <u>6/27/2016</u>	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
Local	7,479,280	7,357,767	(121,513)
State	40,857,690	41,596,600	738,910
Federal	486,411	457,039	(29,372)
Transfers and Other	<u>1,807,370</u>	<u>1,996,439</u>	<u>189,069</u>
REVENUE AVAILABLE TO APPROPRIATE	50,630,751	51,407,845	777,094
Est. Fund balance 7/1/15	3,482,856	3,918,196	435,340
Less appropriated balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance available to appropriate	<u>3,482,856</u>	<u>3,918,196</u>	<u>435,340</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>54,113,607</u>	<u>55,326,041</u>	<u>1,212,434</u>

Revenue:

- 1) Decrease "Local Revenue" by \$121,513. Bus sales in the amount of \$140,000 were reclassified from Local Revenues to Incoming Transfers and Other which resulted in a majority of the change from the original budget in these categories.
- 2) Increase "State Revenue" by \$738,910. Significant increase is due to a larger MPSERS Section 147c allocation than originally budgeted. The increase in revenues is offset by an equal increase in expenditures, which is spread across the various expenditure categories.
- 3) Decrease "Federal Revenue" by \$29,372. Mostly due to a lower Workforce grant allocation in the current year than originally budgeted. The decrease is offset by lower expenditures within that program.
- 4) Increase "Transfers and Other" by \$189,069; see #1 above.

continued

EXPENDITURES	LAST APPROVED 6/29/2015	AS AMENDED 6/27/2016	RECOMMENDED AMENDMENTS
Basic Programs	25,907,287	26,349,869	442,582
Added Needs	5,281,518	5,706,751	425,233
Pupil Services	773,620	849,222	75,602
Instructional Services	2,078,084	2,075,398	(2,686)
General Administration	1,238,291	1,216,254	(22,037)
School Administration	2,954,680	2,933,718	(20,962)
Business Services	790,589	809,384	18,795
Operations & Maintenance	4,916,946	4,766,162	(150,784)
Pupil Transportation	2,201,464	2,052,643	(148,821)
Central Services	325,242	388,909	63,667
Other	144,058	203,115	59,057
Community Services	2,888,582	3,028,682	140,100
Capital Outlay	1,045,042	1,084,814	39,772
Transfers & Other Expenses	989,898	983,858	(6,040)
<b>TOTAL APPROPRIATED</b>	<b>51,535,301</b>	<b>52,448,779</b>	<b>913,478</b>
Fund balance 6/30/16	2,578,306	2,877,262	298,956

Expenditures:

1) Increase "Basic Programs" by \$442,582. Adjustment needed to reflect expected expenditures for basic classroom instruction, which includes elementary school, middle school, high school, alternative education, and summer school programs. There are several increases and decreases from the original budget in all areas, including salaries, fringe benefits, contract services, supplies and other. During the initial budget process, steps/lane changes, and salary concessions are estimated and spread to various account categories. This amendment updates those estimates and allocates the expenditures to the correct functions. A majority of the increase in salaries and fringe benefits is a result of this "trueing up" process. In addition, fringe benefits have been decreased to account for the salary concession (for those employees who have elected their concession to be a contribution toward health care costs), as well increased for the additional MPSERS Section 147C costs, which are offset by revenues received from the state. Purchased services decreased by approximately \$279,000, which was the result of a decrease in expected substitute use for both long-term and short term absences (\$150,000), a decrease in K-8 online learning (\$68,000), a decrease in HVA participation (\$26,000), and savings realized from the resignation of an alternative education contract teacher (\$14,000). Supplies decreased by approximately \$33,000, which was mostly due to curriculum change monies that were originally budgeted, but not used in FY 16.

2) Increase "Added Needs" by \$425,233. Adjustment needed to reflect expected expenditures for special education, Title I, and vocational education programs. As noted above under Basic Programs, adjustments were made to "true up" salaries and fringe benefits for expected steps/lane changes and employee concessions, and for the additional MPSERS section 147c costs which are offset by revenues received by the state. In addition, supplies for vocational education programs increased by \$31,000 to account for the additional CTE funds received from LESA.

- 3) Increase "Pupil Services" by \$75,602. Last year, a guidance counselor was on leave for a majority of the year. Since the 2016 original budget estimate is allocated based on 2015 actual results, the salaries and fringe benefits have been adjusted in this category to account for her return in 2016.
- 4) Decrease "Instructional Services" by \$2,686 to reflect current expected budgets for media services, curriculum development and curriculum related grants, and for technology salaries including our portion of salaries for LESA employees contracted through a technology consortium arrangement.
- 5) Decrease "General Administration" by \$22,037; to reflect expected final costs in this budget category.
- 6) Decrease "School Administration" by \$20,962; to reflect expected final costs in this budget category.
- 7) Increase "Business Services" by \$18,795; to reflect expected final costs in this budget category.
- 8) Decrease "Operations & Maintenance" by \$150,784. Decrease is mostly attributed to the savings realized from weather-related expenditures, i.e., heat/electric, snow plowing and salt. Costs for these items are expected to be much lower than originally budgeted due to the mild winter.
- 9) Decrease "Pupil Transportation" by \$148,821. Decrease is mostly a result of lower fuel prices throughout the year. Insurance premiums were also lower than originally budgeted because since the district switched insurance companies in FY16 and realized a savings as a result. Vehicle repair parts are also expected to be lower than originally estimated.
- 10) Increase "Central Services" by \$63,667. Amount represents costs associated with contracted data processing and supplies. Purchased services increased by approximately \$120,000 as a result of the additional software licensing requirements in the current year. This is partially offset by a decrease in supplies of \$56,000, which is a result of the lower TRIG grant purchases and funding in FY 16.
- 11) Increase "Other" by \$59,057. Increase is due to a reclassification of tax chargebacks that were originally budgeted in the business services line item. Reclassification was done in accordance with financial statement presentation requirements.
- 12) Increase "Community Services" by \$140,100. Increase is a result of numerous adjustments made to the various Community Education programs including daycare, preschool, gymnastics, pool, senior center, music hall, and enrichment. Salaries and fringe benefits were adjusted to account for the increase in minimum wage that took effect January 1, 2016. Fringe benefits were also increased for the additional MPSERS Section 147c costs, which are offset by revenue received from the state. Purchased services were increased in a number of programs as needed, including soccer, community schools, and community life. Most of the increased costs were offset with increased revenues from these programs.
- 13) Increase "Capital Outlay" by \$39,772 to reflect expected final costs in this budget category. Increase is needed because the cost of buses purchased were slightly higher than originally estimated.
- 14) Decrease "Transfers and Other Expenses" by \$6,040 to reflect expected final costs in the budget category.

This resolution shall take immediate effect.

HARTLAND CONSOLIDATED SCHOOLS  
HARTLAND, MICHIGAN

AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
Education of Hartland Consolidated Schools

Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2015-16 Athletic Fund amended as follows:

<u>REVENUES</u>	<u>LAST APPROVED 6/29/2015</u>	<u>AS AMENDED 6/27/2016</u>	<u>RECOMMENDED AMENDMENTS</u>
Local Sources (gate)	129,350	139,169	9,819
Other Local	<u>116,200</u>	<u>124,940</u>	<u>8,740</u>
Total Revenues	245,550	264,109	18,559
Incoming Transfers	<u>699,725</u>	<u>704,410</u>	<u>4,685</u>
TOTAL REVENUES & INCOMING TRANSFERS	945,275	968,519	23,244
Est. Fund balance 7/1/2015	47,748	79,574	31,826
Less appropriated balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance available to appropriate	<u>47,748</u>	<u>79,574</u>	<u>31,826</u>
TOTAL AVAILABLE TO APPROPRIATE	<u><u>993,023</u></u>	<u><u>1,048,093</u></u>	<u><u>55,070</u></u>

Revenue:

1) Increase "Local Sources (gate)" by \$9,819 to reflect higher expected revenues than originally budgeted, mostly due to basketball, hockey, and field hockey events having significantly higher turn-out than in previous years.

2) Increase "Other Local" by \$8,740 to reflect higher expected revenue than originally budgeted. This is due to better than expected advertising sponsorships, as well as the cheerleading invitational bringing in almost double of what was originally budgeted and what had been collected

3) Increase "Incoming Transfers" by \$4,685. This is to cover increased retirement costs that were reimbursed directly to the general fund by the state.

continued

EXPENDITURES	LAST APPROVED 6/29/2015	AS AMENDED 6/27/2016	RECOMMENDED AMENDMENTS
Other support services:			
Salaries	246,193	236,151	(10,042)
Employee benefits	116,138	101,713	(14,425)
Contracted Services/Supplies	495,044	492,582	(2,462)
Equipment	26,710	26,710	0
Officials Fees	35,500	34,959	(541)
Transportation	32,000	32,000	0
Total expenditures	951,585	924,115	(27,470)
Outgoing transfers	0	0	0
TOTAL APPROPRIATED	951,585	924,115	(27,470)
Projected 6/30/16 fund balance	41,438	123,978	82,540

Expenditures:

- 1) Decrease "Salaries" by \$10,042. This is due to the new athletic director as well as several new coaches all receiving compensation at a lower step than originally budgeted.
- 2) Decrease "Employee Benefits" by \$14,425. This is because the new athletic director was originally budgeted to receive full family benefits but opted for a cash-in-lieu stipend instead. In addition, retirement and FICA amounts have been decreased in accordance with lower salaries being paid.
- 3) Decrease "Contracted Services/Supplies" by \$2,462 to reflect expected expenditures from this source. There are numerous line items included in this category.
- 4) "Equipment" - no change. We continue to rely on team by team fundraising which keeps this category relatively low.
- 5) Decrease "Officials Fees" by \$541 to reflect expected expenditures from this source.
- 6) "Transportation" - no changes.



HARTLAND CONSOLIDATED SCHOOLS  
HARTLAND, MICHIGAN

AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
Education of Hartland Consolidated Schools

Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2015-16 Cafeteria Fund amended as follows:

<u>REVENUES</u>	<u>LAST APPROVED</u> <u>6/29/2015</u>	<u>AS AMENDED</u> <u>6/27/2016</u>	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
Local Sources	967,093	1,035,822	68,729
State Sources	45,787	49,344	3,557
Federal Sources	<u>426,180</u>	<u>438,000</u>	<u>11,820</u>
TOTAL REVENUES	1,439,060	1,523,166	84,106
Est. Fund balance 7/1/15	80,499	137,219	56,720
Less appropriated balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance available to appropriate	<u>80,499</u>	<u>137,219</u>	<u>56,720</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>1,519,559</u>	<u>1,660,385</u>	<u>140,826</u>

Revenue:

1) Increase "Local Sources" by \$68,729. Paid lunch, breakfast, and a la carte revenues were increased due to higher participation than originally estimated. The original budget assumed an increase in revenues of 2.5%, however, actual revenues from paid participation increased approximately 8%. The increase in participation is the result of eliminating unpopular menu items and replacing them with new choices that the students responded well to.

2) Increase "State Sources" by \$3,557 to reflect the actual 31d reimbursement received by the state. The 2016 allocation was slightly higher than originally estimated.

3) Increase "Federal Sources" by \$11,820 to reflect a higher commodity allocation than originally estimated. We have been able to take advantage of commodities that were unused by other districts. The increase in revenue is offset by the increase in commodity (food) expense.

continued

EXPENDITURES	LAST APPROVED 6/29/2015	AS AMENDED 6/27/2016	RECOMMENDED AMENDMENTS
Other support services:			
Salaries	458,064	467,155	9,091
Employee Benefits	212,675	226,526	13,851
Food	648,070	661,000	12,930
Supplies & Other	98,650	90,350	(8,300)
Total expenditures	1,417,459	1,445,031	27,572
Outgoing transfers	49,816	49,128	(688)
TOTAL APPROPRIATED	1,467,275	1,494,159	26,884
Projected 6/30/16 fund balance	52,284	166,226	113,942

Expenditures:

- 1) Increase "Salaries" by \$9,091. The original budget did contemplate an increase in labor costs due to an additional service line at the high school as well as middle school breakfast service. However, additional hours were needed above and beyond what was originally planned to accommodate the increase in demand.
- 2) Increase "Employee Benefits" by \$13,851 to account for the increase in UAAL expense. The original budget estimated a UAAL rate of 7.63%; however the actual rate for 2016 was 10.53%.
- 3) Increase "Food" by \$12,930. Increased for the higher commodity usage and being able to take advantage of the available commodities not being used by other districts. The increase in expense is offset by the increase in revenues. Note: Food costs did not increase in direct proportion to the increase in revenue from paid meals. While food purchases were higher due to higher demand, the district was able to take advantage of better pricing, commodity usage and inventory to keep costs down.
- 4) Decrease "Supplies & Other" by \$8,300. Reduced for conference and travel as well as repairs and maintenance that were not required in the current year as originally estimated.
- 5) Decrease "Outgoing Transfers" by \$688 to offset a portion of the increase in retirement costs described in #2 above.



HARTLAND CONSOLIDATED SCHOOLS  
HARTLAND, MICHIGAN

AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
Education of Hartland Consolidated Schools

Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2015-16 Debt Fund amended as follows:

<u>REVENUES</u>	<u>LAST APPROVED</u> <u>6/29/2015</u>	<u>AS AMENDED</u> <u>6/27/2016</u>	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
Property Tax Levy	9,604,182	9,651,730	47,548
Other Rev. from Local Sources	3,400	115,408	112,008
TOTAL REVENUE FROM LOCAL	9,607,582	9,767,138	159,556
TOTAL REVENUE FROM STATE	18,630	18,630	0
TOTAL REVENUE FROM FEDERAL	930,224	934,233	4,009
TOTAL REVENUE	10,556,436	10,720,001	163,565
INCOMING TRANSFERS & OTHER	1,545,614	1,507,407	(38,207)
REFUNDING PROCEEDS	0	93,817,564	93,817,564
TOTAL REVENUES, INCOMING TRANSFERS & OTHER	12,102,050	106,044,972	93,942,922
Est. Fund balance 7/1/15	1,436,195	1,404,332	(31,863)
Less appropriated balance	0	0	0
Fund balance available to appropriate	1,436,195	1,404,332	(31,863)
TOTAL AVAILABLE TO APPROPRIATE	13,538,245	107,449,304	93,911,059

Revenue:

- 1) Increase "Property Tax Levy" by \$47,548 to reflect expected revenue from this source.
- 2) Increase "Other Revenue" by \$112,008. Adjusted to account for change in market value of the QSCB investment deposits.
- 3) "Revenue from State" - no change.
- 4) Increase "Revenue from Federal" by \$4,009 to reflect the actual Federal subsidy amount.

continued

5) Decrease "Incoming Transfers & Others" by \$38,207 to reflect actual amount of borrowing from the School Bond Loan fund. This line item is difficult to budget, since it largely depends on the actual property tax levy and the timing of collections.

6) Increase "Refunding Proceeds" by \$93,817,564. The district refunded three of its debt issues as well as the SBLF balance in 2015/16. The amount represents the proceeds from the new debt.

<u>EXPENDITURES</u>	<u>LAST APPROVED 6/29/2015</u>	<u>AS AMENDED 6/27/2016</u>	<u>RECOMMENDED AMENDMENTS</u>
Redemption of Principal	6,260,000	61,195,000	54,935,000
Interest on Debt	4,939,929	5,332,936	393,007
Miscellaneous	17,200	15,133	(2,067)
<b>TOTAL EXPENDITURES</b>	<b>11,217,129</b>	<b>66,543,069</b>	<b>55,325,940</b>
Refunding Principal and Costs	0	38,367,223	38,367,223
<b>TOTAL APPROPRIATED</b>	<b>11,217,129</b>	<b>104,910,292</b>	<b>93,693,163</b>
Projected 6/30/16 fund balance	2,321,116	2,539,012	217,896

Expenditures:

1) Increase "Redemption of Principal" by \$54,935,000. Adjusted to account for the refunding transactions in the current year, which include the SBLF payout as well as the revised principal and interest payments on the refunded debt.

2) Increase "Interest on Debt" by \$393,007. See #1 above.

3) Decrease in "Miscellaneous" by \$2,067 to reflect actual expected cost of tax chargebacks and paying agent fees.

4) Increase in "Refunding Principal and Costs" by \$38,367,223 to account for the refunding transactions in the current year. This amount represents the payoff of the refunded debt.

HARTLAND CONSOLIDATED SCHOOLS  
HARTLAND, MICHIGAN

AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
Education of Hartland Consolidated Schools

Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2015-16 Capital Projects Fund amended as follows:

<u>REVENUES</u>	<u>LAST APPROVED 6/29/2015</u>	<u>AS AMENDED 6/27/2016</u>	<u>RECOMMENDED AMENDMENTS</u>
Interest on Investments	500	2,000	1,500
TOTAL REVENUES	500	2,000	1,500
Est. Fund balance 7/1/15	1,531,000	1,517,119	(13,881)
Less appropriated balance	0	0	0
Fund balance available to appropriate	1,531,000	1,519,119	(13,881)
TOTAL AVAILABLE TO APPROPRIATE	<u>1,531,500</u>	<u>1,519,119</u>	<u>(12,381)</u>

Revenue:

1) Increase "Interest on Investments" by \$1,500 to reflect expected interest earnings.

	<u>LAST APPROVED 6/29/2015</u>	<u>AS AMENDED 6/27/2016</u>	<u>RECOMMENDED AMENDMENTS</u>
EXPENDITURES			
Equipment	660,000	306,343	(353,657)
Site Development	40,000	21,138	(18,862)
Misc. (architect, const. manager, other)	500	639	139
Total Expenditures	<u>700,500</u>	<u>328,120</u>	<u>(372,380)</u>
TOTAL APPROPRIATED	700,500	328,120	(372,380)
Projected 6/30/16 fund balance	831,000	1,190,999	359,999

continued

Expenditures:

- 1) Decrease "Equipment" by \$353,657. We have been conservative and have delayed spending the non-tech portion of the remaining 2010 Bond funds. The largest portion of the unspent funds remain within the non-tech portion although about \$40,000 of this was in the tech area.
- 2) Decrease "Site Development" by \$18,862. This category is for the continued work on the wetland mitigation (i.e. add wetlands) on the high school site, which was required as part of the construction of the baseball field at Creekside Elementary. The work has continued but is not complete.
- 3) Increase "Miscellaneous" by \$139 to reflect expected costs in this area.