

2016/17 Budget Amendments  
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April 17, 2017

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

General Fund  
Athletic Fund  
Cafeteria Fund

These are the first amendments to the budgets that were approved June 27, 2016. 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 2016/17 budget based upon our overall projections, in some cases 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 dollars are simply being reallocated from where the dollars were initially budgeted.

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 2016/17 that is 1.09% (\$574,131) more than originally budgeted. The largest part of the \$574,131 was because the state increased our retirement costs by \$350,000 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 \$224,131 that ultimately played into our final 2016/17 budget numbers and are referenced and detailed in the following pages.

I am confident these amended budgets have been reviewed appropriately and accurately represents how the 2016/17 fiscal year should play out for the funds addressed. In June we will present any additional amendments for these three funds and will do initial/final amendments for the Debt Fund and the Capital Projects Fund.

**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 2016-17 General Fund is amended as follows:

	<u>LAST APPROVED 6/27/2016</u>	<u>AS AMENDED 4/17/2017</u>	<u>RECOMMENDED AMENDMENTS</u>
<b>REVENUES</b>			
Local sources	\$ 7,463,121	\$ 7,617,031	\$ 153,910
State sources	42,300,131	42,617,432	317,301
Federal sources	427,394	506,592	79,198
Transfers and other	<u>2,214,687</u>	<u>2,429,337</u>	<u>214,650</u>
<b>REVENUE AVAILABLE TO APPROPRIATE</b>	<b>52,405,333</b>	<b>53,170,392</b>	<b>765,059</b>
Estimated fund balance 7/1/2016	2,877,262	3,181,999	304,737
Less appropriated balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AVAILABLE TO APPROPRIATE</b>	<b><u>2,877,262</u></b>	<b><u>3,181,999</u></b>	<b><u>304,737</u></b>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 56,282,595</u></b>	<b><u>\$ 56,352,391</u></b>	<b><u>\$ 1,069,796</u></b>

Revenues:

1) Increase "Local sources" by \$153,910. Increase is partially due to the shift from the state sources line to the property taxes line as a result of an increase in the assumed local revenue component of the per pupil foundation allowance. There were also several increases made to Community Ed program revenue line items, which have been offset by similar increases in expense.

2) Increase "State sources" by \$317,301. The district received an additional \$350K 147c allocation from the state. Offsetting expenditures have been recorded in most of the expenditure categories below. The District also received an increase in special ed categorical funding. The increases in revenue have been offset by a slight decrease in projected student count from the original budget, as well as the shifting of the local share of the foundation allowance from the state sources line to the local sources line as indicated above.

3) Increase "Federal sources" by \$79,198. Federal grant revenues have been adjusted to reflect actual award amounts. The district received an increased Title I allocation, but a lower WIA allocation in the current year.

4) Increase "Transfers and other" by \$214,650. The district will receive an additional \$40K in operational support and an additional \$150K from the LESA special education millage than originally projected. In addition, the CTE allocation was \$28K higher than originally budgeted. Offsetting CTE expenditures have been recorded in the same amount.

continued

	LAST APPROVED 6/27/2016	AS AMENDED 4/17/2017	RECOMMENDED AMENDMENTS
<b>EXPENDITURES</b>			
Basic programs	\$ 26,509,301	\$ 26,517,953	\$ 8,652
Added needs	5,833,572	6,091,397	257,825
Pupil services	865,321	896,832	31,511
Instructional services	1,875,154	1,987,418	112,264
General administration	1,255,967	1,208,487	(47,480)
School administration	3,039,026	3,182,884	143,858
Business services	771,868	778,442	6,574
Operations & maintenance	5,094,081	4,982,160	(111,921)
Pupil transportation	2,278,604	2,326,339	47,735
Central services	388,909	424,382	35,473
Other	202,595	215,237	12,642
Community services	3,016,076	3,070,653	54,577
Capital outlay	335,538	356,600	21,062
Transfers & other expenses	1,171,298	1,172,657	1,359
<b>TOTAL APPROPRIATED</b>	<b>\$ 52,637,310</b>	<b>\$ 53,211,441</b>	<b>\$ 574,131</b>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 2,645,285	\$ 3,140,950	\$ 495,665

Expenditures:

1) Increase "Basic programs" by \$8,652. 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. In addition to this "truing up" process, expenditures were adjusted to account for the increase in MSERS Section 147C costs (which are offset by revenues received from the state), to remove the employee concession originally budgeted, and to adjust for leaves of absence and mid-year retirements.

2) Increase "Added needs" by \$257,825. 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, to remove employee concessions, and for the additional MPSERS section 147c costs which are offset by revenues received by the state. CTE expenditures were also increased as a result of the increased revenue allocation from LESA described in Item #4 above.

3) Increase "Pupil services" by \$31,511 to reflect expected expenditures for guidance support.

4) Increase "Instructional services" by \$112,264 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. Expenditures increased on this line item due to the district-wide behavioral coach position that was shifted here from the basic programs line. In addition, expenditures for the early literacy grant were originally budgeted in basic programs, but were shifted here to be more in line with FID classification.

5) Decrease "General administration" by \$47,480 to account for the net effect of the Superintendent's retirement, which was effective January 1.

6) Increase "School administration" by \$143,858. In addition to the adjustments made to remove the employee concession and for the additional MPERS section 147c costs, expenditures increased on this line item due to the elementary dean of students position that was shifted here from the basic programs line.

7) Increase "Business services" by \$6,574 to reflect expected costs in this budget category.

8) Decrease "Operations & maintenance" by \$111,921. Approximately \$75K was reclassified from operations and maintenance to the capital outlay line. In addition, utilities have been adjusted for current year usage and cost trends.

9) Increase "Pupil transportation" by \$47,735 to reflect expected costs in this budget category.

10) Increase "Central services" by \$35,473. Amount represents costs associated with contracted data processing and supplies. Amounts have been updated to reflect expected costs in this budget category.

11) Increase "Other" by \$12,642 to reflect expected costs in this budget category.

12) Increase "Community services" by \$54,577. 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 in order to be more in line with prior years and current year expected activity. The increase in expenditures has been mostly offset by similar increases in revenue.

13) Increase "Capital outlay" by \$21,062 to reflect expected final costs in this budget category.

14) Increase "Transfers and other expenses" by \$1,359 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 2016-17 Athletic Fund is amended as follows:

	<u>LAST APPROVED 6/27/2016</u>	<u>AS AMENDED 4/17/2017</u>	<u>RECOMMENDED AMENDMENTS</u>
<b>REVENUES</b>			
Local sources (gate)	\$ 141,509	\$ 139,180	\$ (2,329)
Other local sources	124,940	119,650	(5,290)
Transfers	<u>725,410</u>	<u>727,756</u>	<u>2,346</u>
<b>REVENUE AVAILABLE TO APPROPRIATE</b>	<b>991,859</b>	<b>986,586</b>	<b>(5,273)</b>
Estimated fund balance 7/1/2016	123,978	157,335	33,357
Less appropriated balance	<u>0</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCE AVAILABLE TO APPROPRIATE</b>	<b><u>123,978</u></b>	<b><u>157,335</u></b>	<b><u>33,357</u></b>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 1,115,837</u></b>	<b><u>\$ 1,143,921</u></b>	<b><u>\$ 28,084</u></b>

Revenues:

1) Decrease "Local sources (gate)" by \$2,329 to reflect expected revenues in this category based on actual fall gates.

2) Decrease "Other local sources" by \$5,290 to reflect expected revenues in this category based on Invitational meets already held.

3) Increase "Incoming transfers" by \$2,346. The original incoming transfer budget contemplated an adjustment for salary concessions. However, since no salary concession was required in the current year, this line item was adjusted accordingly.

continued

	<u>LAST APPROVED</u> <u>6/27/2016</u>	<u>AS AMENDED</u> <u>4/17/2017</u>	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
<b>EXPENDITURES</b>			
<b>Other support services:</b>			
Salaries	\$ 238,774	\$ 242,077	\$ 3,303
Employee benefits	104,712	103,873	(839)
Contracted services/supplies	504,718	494,024	(10,694)
Equipment	27,710	30,060	2,350
Officials fees	35,973	36,198	225
Transportation	32,000	32,000	-
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>TOTAL APPROPRIATED</b>	<u>\$ 963,887</u>	<u>\$ 958,232</u>	<u>\$ (5,655)</u>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 151,950	\$ 185,689	\$ 33,739

Expenditures:

1) Increase "Salaries" by \$3,303. The original budget contemplated a salary concession. However, no concession was required in the current year, and cash-in-lieu payments were adjusted accordingly. In addition, coaching salaries were decreased slightly based on the current year coaching roster.

2) Decrease "Employee benefits" by \$839 to reflect expected expenditures in this category.

3) Decrease "Contracted services/supplies" by \$10,694. While there are numerous line items included in this category, a majority of the adjustment was made to decrease contracted coaching salaries based on the current year coaching roster, which consists of a handful of first year, lower-step coaches.

4) Increase "Equipment" by \$2,350 to reflect expected expenditures in this category. We continue to rely on team by team fundraising which keeps this category relatively low.

5) Increase "Officials fees" by \$225 to reflect expected expenditures in this category.

6) "Transportation" - no changes.

7) "Capital outlay" - no changes.

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 2016-17 Cafeteria Fund is amended as follows:

	<u>LAST APPROVED 6/27/2016</u>	<u>AS AMENDED 4/17/2017</u>	<u>RECOMMENDED AMENDMENTS</u>
<b>REVENUES</b>			
Local sources	\$ 1,084,072	\$ 1,142,000	\$ 57,928
State sources	49,344	49,742	398
Federal sources	<u>452,500</u>	<u>468,910</u>	<u>16,410</u>
<b>REVENUE AVAILABLE TO APPROPRIATE</b>	<b>1,585,916</b>	<b>1,660,652</b>	<b>74,736</b>
Estimated fund balance 7/1/2016	166,226	194,318	28,092
Less appropriated balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE AVAILABLE TO APPROPRIATE</b>	<b><u>166,226</u></b>	<b><u>194,318</u></b>	<b><u>28,092</u></b>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b><u>\$ 1,752,142</u></b>	<b><u>\$ 1,854,970</u></b>	<b><u>\$ 102,828</u></b>

Revenues:

1) Increase "Local Sources" by \$57,928. Breakfast and a la carte revenues were increased due to higher participation than originally estimated. In addition, revenues were increased for a grant received from the United Dairy Industry of Michigan to purchase milk coolers. The offsetting expenditures for the grant have been recorded in the capital outlay line item below.

2) Increase "State Sources" by \$398 to reflect the actual projected 31d reimbursement.

3) Increase "Federal Sources" by \$16,410 to reflect a higher commodity allocation than originally budgeted. The increase in revenue is offset by an increase in commodity (food) expense.

continued

	<u>LAST APPROVED</u> 6/27/2016	<u>AS AMENDED</u> 4/17/2017	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
<b>EXPENDITURES</b>			
<b>Other support services:</b>			
Salaries	\$ 485,404	\$ 511,397	\$ 25,993
Employee benefits	237,702	250,481	12,779
Food	680,000	718,910	38,910
Supplies & other	97,750	100,537	2,787
Capital outlay	15,000	56,180	41,180
Outgoing transfers	45,166	29,577	(15,589)
<b>TOTAL APPROPRIATED</b>	<u>\$ 1,561,022</u>	<u>\$ 1,667,082</u>	<u>\$ 106,060</u>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 191,120	\$ 187,888	\$ (3,232)

Expenditures:

1) Increase "Salaries" by \$25,993. Salaries were increased to account for the contract wage opener that was settled during the year as well as for the additional hours needed for a part time administrative assistant. In addition, cash in lieu was increased to account for the removal of the salary concession that was originally budgeted.

2) Increase "Employee benefits" by \$12,779 to account for the increase in salaries described above. In addition, health insurance costs were adjusted based on current year staff elections.

3) Increase "Food" by \$38,910. Amount was increased to account for the higher projected commodity usage. The increase in expense is offset by the increase in revenues. Food costs were also adjusted to account for increased participation and rising food costs.

4) Increase "Supplies & other" by \$2,787 to reflect expected expenditures in this category.

5) Increase "Capital outlay" by \$41,180. A portion of the increase was due to the milk coolers purchased with the UDIM grant revenues described above. The remainder of the increase is to account for a walk-in cooler box that must be that replaced in one of the buildings.

6) Decrease "Outgoing transfers" by \$15,589. The original budget contemplated a salary concession of approximately \$15,000. However, since no concession was required in the current year, the outgoing transfer to the general fund was adjusted accordingly.



**2016/17 Budget Amendments  
General Fund  
Reclassification only  
Prepared by: Scott Bacon  
April 17, 2017**

Over the years, account numbers have been created using the Michigan Public School Accounting manual as a guide, and have been assigned to financial statement categories based on the District's interpretation of the line item. The State has recently mandated that all districts must align their account numbers to financial statement categories based on the specific definitions outlined in the Manual.

A majority of the reclassifications relate to ICT and teacher consultant expenditures, as well as a handful of general administrative expenses. An explanation of each item is listed in the attached.

This amendment makes this reclassification based upon the General Fund amendments passed earlier in this board meeting. The Board will see changes from category sources (both to and from) however the bottom line will remain the same.

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 2016-17 General Fund is amended as follows:

	LAST APPROVED 4/17/2017	AS AMENDED 4/17/2017	RECOMMENDED AMENDMENTS
<b>REVENUES</b>			
Local sources	\$ 7,617,031	\$ 7,617,031	\$ -
State sources	42,617,432	42,617,432	-
Federal sources	506,582	506,582	-
Transfers and other	2,429,337	2,429,337	-
<b>REVENUE AVAILABLE TO APPROPRIATE</b>	<b>53,170,392</b>	<b>53,170,392</b>	<b>-</b>
Estimated fund balance 7/1/2016	3,181,999	3,181,999	-
Less appropriated balance	-	-	-
<b>FUND BALANCE AVAILABLE TO APPROPRIATE</b>	<b>3,181,999</b>	<b>3,181,999</b>	<b>-</b>
<b>TOTAL AVAILABLE TO APPROPRIATE</b>	<b>\$ 56,352,391</b>	<b>\$ 56,352,391</b>	<b>\$ -</b>

Revenues:  
No changes.

	LAST APPROVED 4/17/2017	AS AMENDED 4/17/2017	RECOMMENDED AMENDMENTS
<b>EXPENDITURES</b>			
Basic programs	\$ 26,517,953	\$ 26,400,868	\$ (117,085)
Added needs	6,091,397	6,052,928	(38,469)
Pupil services	698,832	1,552,426	855,594
Instructional services	1,987,418	1,414,993	(572,425)
General administration	1,208,487	1,275,086	66,579
School administration	3,182,884	3,182,884	-
Business services	778,442	654,298	(124,144)
Operations & maintenance	4,982,180	5,222,160	240,000
Pupil transportation	2,328,339	2,328,339	-
Central services	424,382	498,367	73,985
Other	215,237	217,237	2,000
Community services	3,070,653	3,075,653	5,000
Debt service	-	400,488	400,488
Capital outlay	358,800	210,000	(148,800)
Transfers & other expenses	1,172,657	727,759	(444,891)
<b>TOTAL APPROPRIATED</b>	<b>\$ 53,211,441</b>	<b>\$ 53,211,441</b>	<b>\$ -</b>
<b>PROJECTED 8/30/2017 FUND BALANCE</b>	<b>\$ 3,140,950</b>	<b>\$ 3,140,950</b>	<b>\$ -</b>

Expenditures:

No increases or decreases to total expenditures have been presented at this time; this amendment is proposed in order to align our account numbers with financial statement categories as defined by the Michigan Public School Accounting Manual.

continued

Over the years, account numbers have been created using the Michigan Public School Accounting Manual as a guide, and have been assigned to financial statement categories based on the District's interpretation of the line item. The State has recently mandated that all districts must align their account numbers to financial statement categories based on the definitions outlined in the Manual.

A majority of the reclassifications relate to ICT and teacher consultant expenditures, as well as a handful of general administrative expenses. An explanation of each item is listed below, and has been documented in the "to" and "from" category.

- 1) Decrease "Basic programs" by \$117,085 to reclassify expenditures for ICT programs to the instructional services line item.
- 2) Decrease "Added needs" by \$38,468 to reclassify expenditures for the school nurse to the pupil services line item.
- 3) Increase "Pupil services" by \$655,594 to reclassify expenditures for the school nurse from the added needs line item, as well as the teacher consultants from the instructional services line item.
- 4) Decrease "Instructional services" by \$572,425 to reclassify teacher consultants to the pupil services line item, to reclassify certain non-instructional IT expenditures to the central services line item, and to reclassify ICT expenditures from the basic programs line item.
- 5) Increase "General administration" by \$66,679 to reclassify expenditures for legal/auditing from the business services line item.
- 6) "School administration" - no change.
- 7) Decrease "Business services" by \$124,144 to reclassify property/liability insurance to the operations & maintenance line item, to reclassify legal/auditing expenditures to the general administration line item, to reclassify tax chargebacks from the other expenditures line item, and to reclassify bank fees and interest expenditures from the transfers & other expenditures line item.
- 8) Increase "Operations & maintenance" by \$240,000 to reclassify property/liability insurance expenditures from the business services line item and to reclassify the maintenance vehicle purchase from the capital outlay line item.
- 9) "Pupil transportation" - no change.
- 10) Increase "Central services" by \$73,985 to reclassify certain non-instructional IT expenditures from the instructional services line item.
- 11) Increase "Other" by \$2,000 to reclassify tax chargebacks to the business services line item and to reclassify the purchase of band uniforms from the capital outlay line item.
- 12) Increase "Community services" by \$5,000 to reclassify equipment expenditures from the capital outlay line item.
- 13) Increase "Debt service" by \$400,466 to reclassify principal and interest payments on installment purchase agreements from the transfers and other expenses line item.
- 14) Decrease "Capital outlay" by \$148,600 to reclassify vehicle purchases, band uniforms, and equipment purchases to the maintenance & operations line item, the other line item, and the community services line item, respectively.
- 15) Decrease "Transfers and other expenses" by \$444,901 to reclassify principal and interest expenditures to the debt service line item and to reclassify interest on the state aid note to the business services line item.

This resolution shall take immediate effect.