

2017/18 Budget Amendments
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April 16, 2018

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 26, 2017. 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 expectations for volatile areas such as fuel and utility costs. While we did adopt the original 2017/18 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 2017/18 that is .59% (+ \$326,097) more than originally budgeted. The largest part of the \$326,097 was because the state increased our retirement costs by \$539,000 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 a reduction of \$212,903 that ultimately played into our final 2017/18 budget numbers and are referenced and detailed in the following pages.

Based upon what we know as of today, I am confident these amended budgets have been reviewed appropriately and accurately represents how the 2017/18 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, the Capital Projects Fund - 2010 Bond and the Capital Projects Fund – Sinking Fund.

HARTLAND CONSOLIDATED SCHOOLS
 BUDGET AMENDMENT
 CAFETERIA FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	LAST APPROVED 6/26/2017	AS AMENDED	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE	\$ 1,127,940	\$ 1,090,540	\$ (37,400)	-3.32% A
STATE REVENUE	51,682	53,397	1,715	3.32%
FEDERAL REVENUE	467,510	534,000	66,490	14.22% B
INCOMING TRANSFERS	<u>5,000</u>	<u>481</u>	<u>(4,519)</u>	-90.38% C
TOTAL REVENUE	1,652,132	1,678,418	26,286	1.59%
EXPENDITURES:				
SALARIES	516,374	515,206	(1,168)	-0.23%
EMPLOYEE BENEFITS	243,408	249,123	5,715	2.35% D
FOOD	708,810	771,000	62,190	8.77% E
SUPPLIES & OTHER	99,092	99,180	88	0.09%
CAPITAL OUTLAY	<u>40,000</u>	<u>88,500</u>	<u>48,500</u>	121.25% F
TOTAL EXPENDITURES	1,607,684	1,723,009	115,325	7.17%
OUTGOING TRANSFERS	<u>34,022</u>	<u>29,503</u>	<u>(4,519)</u>	-13.28% G
TOTAL APPROPRIATED	1,641,706	1,752,512	110,806	6.75%
EXCESS REVENUE (APPROPRIATION)	10,426	(74,094)	(84,520)	-810.67%
FUND BALANCE, JULY 1	205,748	270,810	65,062	31.62%
FUND BALANCE, JUNE 30	\$ 216,174	\$ 196,716	\$ (19,458)	-9.00%

LINE-ITEM SPECIFIC COMMENTS:		
A	Local Revenue	The Type A lunch and a la carte line items were adjusted to be in line with current year expected activity. Local revenue is lower than originally projected due to an unexpected increase in the number of students eligible for free lunch. In addition, the District was required to change the pizza company this year, since Little Caesar's chose to terminate its business with the District; however, the students are not responding to the new pizza being offered. Since this has historically been one of the most popular menu items, overall sales are down as a result.
B	Federal Revenue	Federal revenues were increased to account for the increase in the number of students that qualify for free lunch. In addition, commodities were adjusted based on the most recent entitlement report. The increase in commodity revenue is offset by an increase in food expense.
C	Incoming Transfers	Amount was adjusted to reflect the actual amount to be transferred from the General Fund to cover bad debt. New federal guidelines require that bad debts be paid by the General Fund. The decrease in revenue is offset by a similar decrease in expense under the "Outgoing Transfers" line item.
D	Employee Benefits	Healthcare expense was increased due to an employee electing to take single person health coverage during open enrollment.
E	Food	Food was increased to account for the increase in commodity revenue. In addition, the overall cost of food is higher, the amount of fruit required to be provided with each meal is higher, and the cost of the new pizza being offered is higher than originally expected.
F	Capital Outlay	Amount was increased to account for the balance of the walk-in cooler box that was not completed in FY 2017 as originally planned. The rest of the increase is due to additional oven replacements, a steam table, heated food carriers and other miscellaneous items now planned for the current year.
G	Outgoing Transfers	See explanation for "Incoming Transfers."

HARTLAND CONSOLIDATED SCHOOLS
BUDGET AMENDMENT
GENERAL FUND
FOR FISCAL YEAR ENDING JUNE 30, 2018

	LAST APPROVED 6/26/2017	AS AMENDED	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL SOURCES	\$ 7,681,567	\$ 7,793,032	\$ 111,465	1.45% A
STATE SOURCES	43,491,032	44,241,147	750,115	1.72% B
FEDERAL SOURCES	431,821	522,133	90,312	20.91% C
TOTAL REVENUES	51,604,420	52,556,312	951,892	1.84%
INCOMING TRANSFERS AND OTHER	2,791,327	2,894,544	103,217	3.70% D
TOTAL REVENUES, INCOMING TRANSFERS AND OTHER	\$ 54,395,747	\$ 55,450,856	\$ 1,055,109	1.94%
EXPENDITURES:				
INSTRUCTION:				
BASIC PROGRAMS	26,940,634	26,831,695	(108,939)	-0.40% E
ADDED NEEDS	6,174,830	6,584,444	409,614	6.63% E
SUPPORT SERVICES:				
PUPIL SERVICES	1,623,714	1,391,966	(231,748)	-14.27% E
INSTRUCTIONAL SERVICES	1,299,664	1,547,888	248,224	19.10% E
GENERAL ADMINISTRATION	1,325,959	1,330,913	4,954	0.37%
SCHOOL ADMINISTRATION	3,296,217	3,329,353	33,136	1.01%
BUSINESS SERVICES	656,257	669,252	12,995	1.98%
OPERATIONS & MAINTENANCE	5,410,354	5,277,901	(132,453)	-2.45% F
TRANSPORTATION	2,812,557	2,784,837	(27,720)	-0.99%
CENTRAL SERVICES	605,973	668,890	62,917	10.38% G
OTHER	176,853	176,853	-	0.00%
COMMUNITY SERVICES	3,208,288	3,263,776	55,488	1.73% H
DEBT SERVICE	400,466	400,466	-	0.00%
CAPITAL OUTLAY	215,000	215,000	-	0.00%
TOTAL EXPENDITURES	54,146,766	54,473,234	326,468	0.60%
OUTGOING TRANSFERS (ATHLETICS)	749,756	749,385	(371)	-0.05%
TOTAL APPROPRIATED	\$ 54,896,522	\$ 55,222,619	\$ 326,097	0.59%
EXCESS REVENUES(APPROPRIATION)	\$ (500,775)	\$ 228,237	\$ 729,012	-145.58%
FUND BALANCE, JULY 1	3,697,508	4,165,937	468,429	12.67%
FUND BALANCE, JUNE 30	\$ 3,196,733	\$ 4,394,174	\$ 1,197,441	37.46%
FUND BALANCE AS A % OF EXPENDITURES	5.82%	7.96%		

REVENUE:		
A	Local Sources	<p>Increase is partially due to a slightly higher property tax allocation than originally budgeted, which assumed a 1% inflationary increase. The actual increase in property tax revenue was approximately 1.5%, and was a result of increased property values.</p> <p>There were also several increases made to the various Community Ed program revenue line items, which have been offset by similar increases in expense.</p>
B	State Sources	<p>Increase in state sources is due to a number of factors, including an increase of 21 student FTE's than originally budgeted, new state categoricals for retirement and high school pupils in the amount of \$212K, a higher special ed categorical of \$65K and an additional \$539K 147c allocation. Offsetting expenditures for the additional 147c allocation have been recorded in most of the expenditure categories below.</p> <p>The increases in state revenue have been partially offset by a decrease in the state-funded portion of the foundation allowance as a result of the increased property tax revenue described above. In addition, the technology infrastructure grant has been eliminated and the offsetting expenditures have been eliminated as well.</p>
C	Federal Sources	<p>Federal grant revenues have been adjusted to reflect actual award amounts. The original budget is based on estimates provided by the state. The district received higher allocations for all of its federal awards than the original estimates.</p>
D	Incoming Transfers and Other	<p>The district will receive an additional \$82K in operational support/special ed milage revenue and an additional \$60K CTE allocation than originally budgeted. In addition, revenue from the sale of vehicles and property has been reduced, and bus loan proceeds have also been reduced to more accurate estimates. The offsetting expenditures for CTE and for the purchase of busses have been adjusted accordingly.</p>

EXPENDITURES:	
	<p>General Comments:</p> <p>District-wide, expenditures increased by \$326K over the original adopted budget.</p> <p>Expenditures in the amount of \$539K were added for 147c retirement. This increase was spread to most of the expenditure categories. Additional 147c revenues have been recorded in an equal amount (see Item B).</p> <p>FICA/Retirement expenditures were also analyzed and reduced by \$95K to reflect a more accurate estimate.</p>

	<p>Other changes in expenditures are described more in the detailed comments below.</p> <p>Expenditures for salaries and benefits have been reviewed by individual employee and re-allocated to proper account numbers based on current year job assignments and/or special ed FTE. Since the original budget projection is based on prior year, expenditures for salaries and benefits tend to shift between the various budget categories during the amendment process.</p>	
E	<p>Basic Programs/ Added Needs/ Pupil Services/ Instructional Services</p>	<p>In total, expenditures between the basic programs, added needs, pupil services, and instructional services categories increased by \$317K. Most of this difference is due to the changes in 147c retirement, retirement, and FICA as described in the general comments section. The remaining difference is due to the additional \$60K CTE allocation described in item D.</p> <p>Expenditures for salaries and benefits have been shifted between these line items due to a reallocation of FTE for general ed teachers (basic programs), resource room teachers (added needs), teacher consultants (pupil services) and ITC teachers (instructional services). Teacher FTE is adjusted each year based on the student need within each of these categories.</p>
F	<p>Operations & Maintenance</p>	<p>Utilities and supplies were reduced by \$115K to be more in line with expected needs. In addition, vehicle purchases were reduced \$28K since 2 regular trucks will be purchased instead of one large dump truck as originally planned. Contracted services increased by \$10K, which was the net effect of an increase in funds needed for snow plowing, offset by a decrease in the contracted custodial line item, as incentives originally planned for the current year have been deferred to the 2018-19 school year.</p>
G	<p>Central Services</p>	<p>Additional resources were needed for the telephone system software license renewal, which is coming due in the current year. A 5-year license was included with the original purchase of the system and paid for using bond dollars.</p>
H	<p>Community Services</p>	<p>Increased expenditures across several programs to be more in line with current year expected activity. The increase in expenditures has been mostly offset by similar increases in revenue described in item A.</p>

HARTLAND CONSOLIDATED SCHOOLS
 BUDGET AMENDMENT
 ATHLETICS FUND
 FISCAL YEAR ENDING JUNE 30, 2018

	LAST APPROVED <u>6/26/2017</u>	AS AMENDED	RECOMMENDED AMENDMENTS	NET CHANGE PERCENT
REVENUES:				
LOCAL REVENUE (GATE)	\$ 146,964	\$ 147,467	\$ 503	0.34%
OTHER LOCAL REVENUE	<u>128,721</u>	<u>142,221</u>	<u>13,500</u>	10.49% A
TOTAL REVENUE	275,685	289,688	14,003	5.08%
INCOMING TRANSFERS	<u>749,756</u>	<u>749,385</u>	<u>(371)</u>	-0.05%
TOTAL REVENUE & INCOMING TRANSFERS	1,025,441	1,039,073	13,632	1.33%
EXPENDITURES:				
SALARIES	251,866	249,834	(2,032)	-0.81%
EMPLOYEE BENEFITS	105,526	121,302	15,776	14.95% B
CONTRACTED SERVICES/SUPPLIES	503,650	504,805	1,155	0.23%
EQUIPMENT	30,060	30,060	-	0.00%
OFFICIALS	36,198	37,925	1,727	4.77%
TRANSPORTATION	47,500	47,500	-	0.00%
CAPITAL OUTLAY	<u>20,000</u>	<u>45,000</u>	<u>25,000</u>	125.00% C
TOTAL APPROPRIATED	994,800	1,036,426	41,626	4.18%
EXCESS REVENUE (APPROPRIATION)	30,641	2,647	(27,994)	-91.36%
FUND BALANCE, JULY 1	181,498	191,806	10,308	5.68%
FUND BALANCE, JUNE 30	\$ 212,139	\$ 194,453	\$ (17,686)	-8.34%

LINE-ITEM SPECIFIC COMMENTS:		
A	Other Local Revenue	Advertising revenue was increased due to the addition of several more advertisers this year, as well as the new advertising space available on the basketball scoreboard.
B	Employee Benefits	Increase is mostly due to an employee opting for health insurance instead of the cash in lieu payment in the current year.
C	Capital Outlay	Increased to account for additional needs planned for the current year, including the purchase of a new scoreboard for the baseball/softball field.