

2016/17 Budget Amendments  
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June 27, 2017

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 second amendments of the fiscal year (July 1, 2016 – June 30, 2017) for the General Fund, Athletic Fund and Cafeteria Fund. These funds had their first amendments at the School Board meeting on April 17, 2017. These are the first and only amendments for the Debt Fund and the Capital Projects Fund.

Adjustments have been made at this point based on every account being reviewed (the general fund alone has approximately 110 revenue accounts and 1,645 expenditure accounts).

Please remember that the amendments (by law) are to change what we adopted or amended to where we believe we are now. This paperwork process must be done that way. We are showing an amended general fund expenditure budget for 2016/17 that is .5% (\$261,249) less than the amendment done in April. There were a number of adjustments, both increases and decreases that played into our final 2016/17 budget numbers. Explanations are found 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.

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 4/17/2017</u>	<u>AS AMENDED 6/26/2017</u>	<u>RECOMMENDED AMENDMENTS</u>
REVENUES			
Local sources	\$ 7,617,031	\$ 7,645,891	\$ 28,860
State sources	42,617,432	42,672,599	55,167
Federal sources	506,592	502,038	(4,554)
Transfers and other	<u>2,429,337</u>	<u>2,645,173</u>	<u>215,836</u>
REVENUE AVAILABLE TO APPROPRIATE	53,170,392	53,465,701	295,309
Estimated fund balance 7/1/2016	3,181,999	3,181,999	-
Less appropriated balance	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AVAILABLE TO APPROPRIATE	<u>3,181,999</u>	<u>3,181,999</u>	<u>-</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>\$ 56,352,391</u>	<u>\$ 56,647,700</u>	<u>\$ 295,309</u>

Revenues:

1) Increase "Local sources" by \$28,860. Revenues from building rental and Community Ed programs have been increased by approximately \$115K to be more in line with anticipated results, and are offset by similar increases in expense. In addition, property taxes are expected to be \$90K lower than originally budgeted. Of this amount, approximately \$54K has been shifted to the "State sources" line below, as a result of the decrease in the assumed local revenue component of the per pupil foundation allowance. The remaining decrease in property tax revenues is a result of a lower PA105 distribution and fewer anticipated delinquent tax collections, as well as a minor adjustment to the overall levy.

2) Increase "State sources" by \$55,167. Increase is a result of the shifting of the local share of the per pupil foundation allowance from the "Local sources" line to the "State sources" line, as indicated above. Property values are updated in the state system in April, and the local share of the foundation allowance is recalculated during that time.

3) Decrease "Federal sources" by \$4,554 to adjust the district's WIA allocation.

continued

4) Increase "Transfers and other" by \$215,836. The district received a \$40K grant from LESA to implement the new teacher evaluation standards. Since expenditures for this purpose were already budgeted, the district is able to count the entire amount as additional revenue. In addition, the Medicaid allocation was increased by \$18K in the current year. Finally, the district received an additional operational support payment from LESA in the amount of \$143K, which is considered to be a one-time revenue source in FY 17 only.

	LAST APPROVED 4/17/2017	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
<b>EXPENDITURES</b>			
Basic programs	\$ 26,400,868	\$ 26,200,277	\$ (200,591)
Added needs	6,052,928	6,039,113	(13,815)
Pupil services	1,552,426	1,578,700	26,274
Instructional services	1,414,993	1,271,864	(143,129)
General administration	1,275,066	1,249,895	(25,171)
School administration	3,182,884	3,215,850	32,966
Business services	654,298	653,325	(973)
Operations & maintenance	5,222,160	5,092,930	(129,230)
Pupil transportation	2,326,339	2,331,419	5,080
Central services	498,367	594,002	95,635
Other	217,237	206,325	(10,912)
Community services	3,075,653	3,208,270	132,617
Debt service	400,466	400,466	-
Capital outlay	210,000	180,000	(30,000)
Transfers & other expenses	<u>727,756</u>	<u>727,756</u>	<u>-</u>
<b>TOTAL APPROPRIATED</b>	<b><u>\$ 53,211,441</u></b>	<b><u>\$ 52,950,192</u></b>	<b><u>\$ (261,249)</u></b>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 3,140,950	\$ 3,697,508	\$ 556,558

Expenditures:

1) Decrease "Basic programs" by \$200,591. Adjustment needed to reflect expected expenditures for basic classroom instruction, which includes elementary school, middle school, high school, alternative education, and summer school programs. FICA and retirement were decreased by approximately \$100K in order to be more in line with expected results. In addition, contract substitute costs were decreased by \$50K within this category to be consistent with expenditure trends for the year. (Overall contracted subs were decreased approximately \$35K district-wide across several of the expenditure categories). Finally, approximately \$33K was reduced from the curriculum change budget, as not all curriculum change initiatives originally planned for the year were launched.

2) Decrease "Added needs" by \$13,815. Adjustment needed to reflect expected expenditures for special education, Title I, and vocational education programs.

3) Increase "Pupil services" by \$26,274 to reflect expected expenditures for guidance support and teacher consultants. A majority of the increase was due to added homebound costs anticipated in the current year.

4) Decrease "Instructional services" by \$143,129 to reflect current expected budgets for media services, ICT, curriculum development and curriculum related grants, and for technology salaries including our portion of salaries for LESA employees contracted through a technology consortium arrangement. Approximately \$95K of certain IT salaries and benefits were reclassified from this line to the "Central support" line below to be more consistent with FID classification. (This was an additional reclassification from the 4/17/2017 amendment.) In addition, \$30K from the curriculum change budget was not used, as not all curriculum changes were implemented during the year. Finally, \$18K of additional pay was moved to other various line items to be more in line with current year expenditure needs.

5) Decrease "General administration" by \$25,171. The decrease is mostly due to a reduction in FICA and retirement costs to be more in line with expected results.

6) Increase "School administration" by \$32,996 to reflect expected expenditures in this budget category. A majority of the increase was to add a permanent sub for a secretary on a long-term leave of absence.

7) Decrease "Business services" by \$973 to reflect expected costs in this budget category.

8) Decrease "Operations & maintenance" by \$129,230. Approximately \$113K in supplies and contracted services will not be spent as originally planned in the current fiscal year. In addition, utilities were reduced another \$20K for current year usage and cost trends. These reductions taken in FY 17 will be added back to the FY 18 budget.

9) Increase "Pupil transportation" by \$5,080 to reflect expected costs in this budget category.

10) Increase "Central services" by \$95,635. Salaries and benefits for certain IT staff were reclassified from the "Instructional services" line to this line in order to be more consistent with FID classification. This was an additional reclassification beyond the 4/17/2017 amendment. See note #4 above.

11) Decrease "Other" by \$10,912 to reflect expected costs in this budget category. This change is primarily to adjust the cost of band uniforms expected in the current year.

12) Increase "Community services" by \$132,617. 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 current year expected activity. The increase in expenditures has been mostly offset by similar increases in revenue.

13) "Debt services" - no change.

14) Decrease "Capital outlay" by \$30,000 to reflect expected final costs in this budget category, since not all projects originally planned will occur in this fiscal year. These costs will be added back to the FY 18 budget.

15) "Transfers and other expenses" - no change.

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</u> 4/17/2017	<u>AS AMENDED</u> 6/26/2017	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
REVENUES			
Local sources (gate)	\$ 139,180	\$ 143,674	\$ 4,494
Other local sources	119,650	114,221	(5,429)
Transfers	<u>727,756</u>	<u>727,756</u>	<u>-</u>
REVENUE AVAILABLE TO APPROPRIATE	986,586	985,651	(935)
Estimated fund balance 7/1/2016	157,335	157,335	-
Less appropriated balance	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AVAILABLE TO APPROPRIATE	<u>157,335</u>	<u>157,335</u>	<u>-</u>
TOTAL AVAILABLE TO APPROPRIATE	<u><u>\$ 1,143,921</u></u>	<u><u>\$ 1,142,986</u></u>	<u><u>\$ (935)</u></u>

Revenues:

- 1) Increase "Local sources (gate)" by \$4,494 to reflect expected revenues in this category based on actual gates for sports whose seasons are already complete.
  
- 2) Decrease "Other local sources" by \$5,429 to reflect expected revenues in this category based on invitational meets already held, as well as for a decrease in the number of KLAA tournaments awarded in the current year.
  
- 3) "Transfers" - no change.

continued

	<u>LAST APPROVED</u> 4/17/2017	<u>AS AMENDED</u> 6/26/2017	<u>RECOMMENDED</u> <u>AMENDMENTS</u>
<b>EXPENDITURES</b>			
Other support services:			
Salaries	\$ 242,077	\$ 245,415	\$ 3,338
Employee benefits	103,873	101,391	(2,482)
Contracted services/supplies	494,024	480,924	(13,100)
Equipment	30,060	30,060	-
Officials fees	36,198	36,198	-
Transportation	32,000	47,500	15,500
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>TOTAL APPROPRIATED</b>	<u>\$ 958,232</u>	<u>\$ 961,488</u>	<u>\$ 3,256</u>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 185,689	\$ 181,498	\$ (4,191)

Expenditures:

- 1) Increase "Salaries" by \$3,338 - mostly to account for a track coach hired later in the year.
- 2) Decrease "Employee benefits" by \$2,482 to adjust expected amounts for retirement and FICA.
- 3) Decrease "Contracted services/supplies" by \$13,100. While there are numerous line items included in this category, a majority of the adjustment was made to decrease expected KLAA tournament expenses and concession supplies, since the District was awarded fewer KLAA tournaments in the current year.
- 4) "Equipment" - no change.
- 5) "Officials fees" - no change.
- 6) Increase "Transportation" by \$15,500 to more accurately reflect athletic bussing costs.
- 7) "Capital outlay" - no change.

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:

	LAST APPROVED 4/17/2017	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
REVENUES			
Local sources	\$ 1,142,000	\$ 1,146,900	\$ 4,900
State sources	49,742	58,425	8,683
Federal sources	468,910	473,910	5,000
Transfers	-	5,000	5,000
REVENUE AVAILABLE TO APPROPRIATE	1,660,652	1,684,235	23,583
Estimated fund balance 7/1/2016	194,318	194,318	-
Less appropriated balance	-	-	-
FUND BALANCE AVAILABLE TO APPROPRIATE	194,318	194,318	-
TOTAL AVAILABLE TO APPROPRIATE	<u>\$ 1,854,970</u>	<u>\$ 1,878,553</u>	<u>\$ 23,583</u>

Revenues:

- 1) Increase "Local sources" by \$4,900 to adjust projected breakfast and lunch sales.
- 2) Increase "State sources" by \$8,683 to reflect the updated current year 31d reimbursement, as well as to account for a large prior year adjustment to 31d. The state does not calculate final 31d payouts or any prior year adjustments until late in the fiscal year.
- 3) Increase "Federal sources" by \$5,000 to adjust projected federal meal reimbursements.
- 4) Increase "Transfers" by \$5,000 to account for the general fund transfer required to cover negative student lunch balances. The incoming transfer is offset by the outgoing transfer below.

continued

	LAST APPROVED 4/17/2017	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
<b>EXPENDITURES</b>			
Other support services:			
Salaries	\$ 511,397	\$ 511,201	\$ (196)
Employee benefits	250,481	246,880	(3,601)
Food	718,910	714,910	(4,000)
Supplies & other	100,537	99,092	(1,445)
Capital outlay	56,180	66,180	10,000
Outgoing transfers	<u>29,577</u>	<u>34,542</u>	<u>4,965</u>
<b>TOTAL APPROPRIATED</b>	<u>\$ 1,667,082</u>	<u>\$ 1,672,805</u>	<u>\$ 5,723</u>
<b>PROJECTED 6/30/2017</b>			
FUND BALANCE	\$ 187,888	\$ 205,748	\$ 17,860

Expenditures:

- 1) Decrease "Salaries" by \$196 to reflect expected expenditures in this category.
- 2) Decrease "Employee benefits" by \$3,601 to adjust expected amounts for retirement and FICA.
- 3) Decrease "Food" by \$4,000 to reflect expected expenditures in this category.
- 4) Decrease "Supplies & other" by \$1,445 to reflect expected expenditures in this category.
- 5) Increase "Capital outlay" by \$10,000 to reflect additional costs related to the walk-in cooler box to be replaced at Village Elementary. Revised amount reflects actual bids received for the project, as well as anticipated costs for installation (including concrete and possible asbestos abatement).
- 6) Increase "Outgoing transfers" by \$4,965 to offset the incoming transfer required to cover negative student lunch balances, as well as to adjust the current year 31a allocation received from the general fund.

This resolution shall take immediate effect.



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HARTLAND, MICHIGAN  
AMENDMENT TO APPROPRIATIONS ACT  
Resolution for Budget Amendment by the Board of  
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Resolved, that the appropriation for Hartland Consolidated Schools for the fiscal year 2016-17 Debt Fund is amended as follows:

	<u>LAST APPROVED 6/27/2016</u>	<u>AS AMENDED 6/26/2017</u>	<u>RECOMMENDED AMENDMENTS</u>
REVENUES			
Property tax levy	\$ 9,965,936	\$ 9,936,721	\$ (29,215)
Other local revenue	<u>55,600</u>	<u>10,399</u>	<u>(45,201)</u>
Total local sources	10,021,536	9,947,120	(74,416)
State sources	55,890	67,969	12,079
Federal sources	658,402	658,049	(353)
Transfers & other	<u>11,505,943</u>	<u>11,638,867</u>	<u>132,924</u>
REVENUE AVAILABLE TO APPROPRIATE	22,241,771	22,312,005	70,234
Estimated fund balance 7/1/2016	2,539,012	2,725,287	186,275
Less appropriated balance	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AVAILABLE TO APPROPRIATE	<u>2,539,012</u>	<u>2,725,287</u>	<u>186,275</u>
TOTAL AVAILABLE TO APPROPRIATE	<u>\$ 24,780,783</u>	<u>\$ 25,037,292</u>	<u>\$ 256,509</u>

Revenues:

- 1) Decrease "Property tax levy" by \$29,215 to reflect expected revenue from this source.
- 2) Decrease "Other local revenue" by \$45,201. An adjustment is needed to account for the change in market value of the QSCB investment deposit.
- 3) Increase "State sources" by \$12,079 to reflect actual revenue from the personal property tax exemption loss reimbursement received from the state.
- 4) Decrease "Federal sources" by \$353 to reflect the actual federal interest subsidy amount.
- 5) Increase "Transfers and other" by \$132,924 to reflect the actual current year borrowing from the School Bond Loan Fund. This item is difficult to budget, since it largely depends on the timing of property tax collections.

continued

	LAST APPROVED 6/27/2016	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
EXPENDITURES			
Redemption of principal	\$ 16,385,000	\$ 16,385,000	\$ -
Interest on debt	5,333,543	5,326,395	(7,148)
Miscellaneous	<u>15,475</u>	<u>135,000</u>	<u>119,525</u>
TOTAL APPROPRIATED	<u>\$ 21,734,018</u>	<u>\$ 21,846,395</u>	<u>\$ 112,377</u>
PROJECTED 6/30/2017 FUND BALANCE	\$ 3,046,765	\$ 3,190,897	\$ 144,132

Expenditures:

- 1) Redemption of principal - no change.
- 2) Decrease "Interest on debt" by \$7,148 to reflect actual debt interest expenditures.
- 3) Increase "Miscellaneous" by \$119,525. A majority of this adjustment is to account for the change in market value of the QSCB investment deposit. Other minor adjustments were made to reflect actual expenditures for tax chargebacks and paying agent fees.

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 Capital Projects Fund is amended as follows:

	LAST APPROVED 6/25/2016	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
REVENUES			
Interest on investments	\$ 1,000	\$ 4,500	\$ 3,500
REVENUE AVAILABLE TO APPROPRIATE	1,000	4,500	3,500
Estimated fund balance 7/1/2016	1,190,999	1,203,862	12,863
Less appropriated balance	-	-	-
FUND BALANCE AVAILABLE TO APPROPRIATE	1,190,999	1,203,862	12,863
TOTAL AVAILABLE TO APPROPRIATE	\$ 1,191,999	\$ 1,208,362	\$ 16,363

Revenues:

1) Increase "Interest on investments" by \$3,500 to reflect expected interest earnings.

	LAST APPROVED 6/25/2016	AS AMENDED 6/26/2017	RECOMMENDED AMENDMENTS
EXPENDITURES			
Equipment	\$ 90,421	\$ 247,503	\$ 157,082
Site development	151,911	175,099	23,188
Miscellaneous	500	-	(500)
TOTAL APPROPRIATED	\$ 242,832	\$ 422,602	\$ 179,770
PROJECTED 6/30/2017 FUND BALANCE	\$ 949,167	\$ 785,760	\$ (163,407)

Expenditures:

1) Increase "Equipment" by \$157,082 to reflect expected costs for technology equipment. A majority of the unspent proceeds from the 2010 bond are reserved for technology equipment.

2) Increase "Site development" by \$23,188 to reflect expected costs for the continued work on the wetland mitigation and the ring road project at the high school site.

3) Decrease "Miscellaneous" by \$500 since bank fees are no longer charged on the money market accounts holding the unspent bond proceeds.

This resolution shall take immediate effect.