

FY 19 Tentative Budget Highlights

Fund 1 – General Fund - \$19,441,708

REVENUES

- We have estimated the carry forward balance for FY 19 to be \$6,699,830. Audited Carry Forward Balance for FY 17 was \$6,699,830. The following are some of the expenditures that have impacted the Carry Forward Balance:
 - Track Resurfacing
 - Copier Purchase
 - HVAC Controllers
- General Real Property revenue has been estimated to be \$3,820,000.00. We budgeted \$3,790,000 in the working budget. Real Property Revenue is budgeted based on tax rate, collections, and prior year, and takes into account money that must be set aside for FSPK (building fund). This number will be adjusted in the working budget when we have actual property assessment and the Board has set the tax rate for FY 19. I feel safe budgeting based on the actual revenue for the current year.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$3,236,950.00	\$3,450,000.00	\$3,475,000.00	\$3,536,500.00	\$3,790,000.00	\$3,820,000.00
Year to Date (YTD in May)	3,268,951.95	3,428,899.98	3,501,452.53	3,371,449.73	3,824,613.04	
Actual	\$3,322,275.21	\$3,475,804.94	\$3,536,659.54	\$3,618,654.64		

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- PSC (Public Service Corporation) is estimated at \$130,000.00 up from \$125,000.00 in FY 18. We have consistently exceeded \$100,000 per year since 2012 and both the 3 and 5 year averages exceed \$125,000.00.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$95,000.00	\$95,000.00	\$100,000.00	\$120,000.00	\$125,000.00	\$130,000.00
Year to Date (YTD in May)	80,101.03	125,705.43	110,967.42	123,448.00	145,846.19	
Actual	\$105,775.75	\$133,305.34	\$138,445.89	\$132,267.17		

Averages:

3 Year Average	5 Year Average
\$134,672.80	\$127,112.27

- Delinquent Property tax is estimated at \$50,000 which is the same as the FY 18 Working Budget. You will notice the FY 18 YTD is \$28,283.10. If you compare where we were in May 2016 and still had approximately \$50,000 in revenue, then we believe it is still possible to reach the \$50,000 budget amount for this year. You will note the 3 year and 5 year averages remain close to the \$50,000 mark.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$50,700.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
Year to Date (YTD in May)	33,257.62	23,136.09	27,023.19	31,756.88	25,283.10	
Actual	\$49,590.88	\$39,118.38	\$51,906.29	\$56,183.20		

Averages:

3 Year Average	5 Year Average
\$49,069.29	\$49,930.65

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- Motor Vehicle revenue is estimated \$510,000 which is \$10,000 more than the FY 18 Working Budget. The FY 17 YTD at this time last year was \$386,335.54 and ended the year with \$514,498.98. The FY 18 YTD is at \$397,416.43 and we expect to exceed the budgeted amount of \$500,000. Generally between May and the end of the fiscal year we receive revenue in excess of \$120,000; if that holds true for this year, then it would push us over the \$510,000 mark.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$425,000.00	\$450,000.00	\$440,000.00	\$450,000.00	\$500,000.00	\$510,000.00
Year to Date (YTD in May)	327,048.96	339,982.51	354,223.51	386,335.54	397,416.43	
Actual	\$450,329.39	\$462,175.82	\$483,447.39	\$514,498.98		

Averages:

3 Year Average	5 Year Average
\$486,707.40	\$470,669.34

- Utility tax revenue is estimated at \$840,000. At this time last year the FY 17 YTD was \$643,422.73 and ended the year at \$830,754.48. . I am encouraged that the FY 18 YTD is \$664,609.35 which is higher than the April 2017 YTD of \$643,422.73. So you can see it difficult to even project how we will end the year. However, I am not convinced we will meet the \$840,000.00 that is budgeted for the year based upon the previous years' trend. You will note the 3 year and 5 year averages indicate a more realistic budget amount of \$840,000.00.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$875,000.00	\$875,000.00	\$875,000.00	\$875,000.00	\$840,000.00	\$840,000.00
Year to Date (YTD in May)	689,042.34	669,684.65	631,450.28	643,422.73	664,609.35	
Actual	\$908,671.60	\$878,182.72	\$814,861.23	\$830,754.48		

Averages:

3 Year Average	5 Year Average
\$867,238.52	\$871,591.25

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- Interest income is estimated at \$40,000. Interest is based on interest rates and the amount of funds available for investing. At this time we have already exceeded the budgeted income.

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$40,000.00	\$40,000.00
Year to Date (YTD in May)	21,979.53	25,302.48	28,840.98	23,335.03	44,254.23	
Actual	\$29,014.67	\$39,115.06	\$52,764.23	\$52,784.55		

Averages:

3 Year Average	5 Year Average
\$48,221.28	\$41,059.12

- Revenue In Lieu of Taxes is estimated at \$565,420.00. We have seen significant decreases in TVA money from FY 10 to FY 17 (however, I will note that TVA revenue had a slight rebound for FY 17 over FY 16, but decreased for FY18). Additionally, President Trump has indicated in the past that he will eliminate Impact Aid from the federal budget which would result in TVA money only for in lieu of taxes (would result in a significant shortfall).

	FY 14	FY 15	FY 16	FY17	FY 18 Budget	FY 19 Budget
Budget	\$650,000.00	\$565,419.00	\$564,419.00	\$565,419.00	\$565,419.00	\$565,419.00
Year to Date (YTD in May)				\$1,517,001.88	\$1,480,624.35	
Actual	\$1,672,915.47	\$1,596,719.85	\$1,456,119.15	\$1,517,001.88		
TVA	\$499,962.42	\$420,932.29	\$282,103.64	\$347,844.50	\$313,199.84	
Impact	\$1,172,953.05	\$1,175,787.56	\$1,174,015.51	\$1,169,157.38	\$1,167,424.51	

We simply cannot make an accurate prediction for Revenue in Lieu of Taxes. We are budgeting based on TVA being approximately \$275,000.00 and Impact Aid being \$290,419 for a total of \$565,420 mentioned above.

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- SEEK is estimated at \$6,704,008. The FY 18 guaranteed base was \$3,981 per student generating \$6,826,468, FY 19 guaranteed based increased to \$4,000 per student. KDE has forecast our FY 19 SEEK at \$6,704,008 which is \$122,461 less than this year. The majority of the decrease is SEEK is a result of decreases in projected enrollment; additional decreases in GF Seek are a result of the local \$0.30 effort increasing as a result of a projected increase in county assessment and the add-ons for At-Risk students and Exceptional Children. There will be an adjustment made after the end of the year attendance numbers are finalized, which will be included in the FY 19 Working Budget.

EXPENDITURES- Total Minus Controlled Expenditures listed below - \$14,666,371.00

- Includes 3.5% of base SEEK per student to councils for instruction
- Retirement Contributions
 - County Retirement will be increasing 12% this year for Classified Employees. Most have been changed in the budget to account for salary changes.
 - KTRS at 3% which unchanged for FY 19; matched locally for any Certified Employee.
- Fund transfers show the money earmarked for the KETS match that is due in FY 19.
- Salary amounts were adjusted for staffing formula/enrollment with step/rank changes
- Purchase of two busses
- Student insurance, property and general liability insurance, and workmen's compensation insurance have all been adjusted based on approved quotes

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“CONTROLLED EXPENDITURES” – TOTAL \$4,808,150

Munis Code	Description	FY 18 Working	FY 19 Tentative
0001840-0840	CONTINGENCY	1,074,827.00	1,100,000.00
0001106-0710	LAND & IMPROVEMENTS	709,715.00	850,000.00
0001107-0450	CONSTRUCTION SERVICES	641,000.00	700,000.00
9011096-0731	MACHINERY/EQUIP (NONINSTRUCT)	625,000.00	625,000.00
0001100-0734	COMPUTERS & RELATED EQUIPMENT	360,000.00	430,000.00
0001107-0710	LAND & IMPROVEMENTS	155,325.00	250,000.00
0001122-0450	CONSTRUCTION SERVICES	250,000.00	250,000.00
0011071-0820	COURT JUDGEMENTS	235,000.00	235,000.00
0001106-0720	BUILDINGS	127,000.00	185,000.00
0001122-0733	FURNITURE & FIXTURES	75,000.00	75,000.00
0001123-0343	LEGAL SERVICES	55,000.00	55,000.00
0001122-0346	ARCHECTUR & ENGINEERING SVCS	30,000.00	30,000.00
0001787	NxGL	45,500.00	23,150.00

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FUND 2 – SPECIAL REVENUE- \$2,358,474

Fund II (Special Revenue) includes restricted funds designated for specific purposes (state and federal grant programs). We have attached the description of each of the Fund 2 Projects.

Specific points of interest in regard to Fund 2:

- Most of our state programs experienced some decreases for FY19. Three programs were completely eliminated.
- As you probably remember, there must be a match in fringe benefits in federal programs. Additionally, insurance (medical and life) and state administration fee are taken from federal programs, which is not done for employees paid from Fund 1.
- Classified employees retirement increased 12% from prior year

FUND 310 – CAPITAL OUTLAY- \$1,365,928

The revenue is based on information received from KDE (100 / ADA) and our interest rates. The expenses are based on the bond payment and the balance is budgeted in construction services. This is another controlled expense.

FUND 320 – BUILDING FUND- \$1,099,396

The new revenue is based on the required nickel, information received from KDE and interest rates. The expenses are based on bond payments and the balance is budgeted in construction services. Again, this is a controlled expense.

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FUND 400 – DEBT SERVICE-\$915,023

Fund 400 is a relatively new fund required by the Kentucky Department of Education to handle Debt Service. This money is already shown FUND 310 and FUND 320 and does not impact our overall total budget. This is basically a flow through account – money transferred from 310 and 320 to make bond payments.

FUND 51 – SCHOOL FOOD SERVICE- \$981,165

We often refer to Food Service as a “stand alone” business. While we do charge food service for some indirect costs (utilities, insurance, etc.), we do not charge the full cost. The program remains in good financial standing at this time.

FUND 52 – CHILD CARE- \$174,610

Trigg Tots is a break – even endeavor. Similar to Fund 51, it is a “stand alone” business. Similar to our Food Service program, the district does provide space, utilities and insurance.

The new revenue is based on the child care fees projected. Expenses are based on the 2019 anticipated salary and fringe costs and projected food costs.

FY 19 Tentative Budget Highlights

Total Tentative Budget - \$25,421,281

Fund 1	General Fund	\$19,441,708.00
Fund 2	Special Revenue	\$2,358,474.00
Fund 310	Capital Outlay	\$1,365,928.00
Fund 320	Building Fund	\$1,099,396.00
Fund 400	Debit Service	\$915,023.00
Fund 51	Food Service	\$981,165.00
Fund 52	Trigg Tots	\$174,610.00
Total		\$25,421,281.00