

FY 19 Working Budget Highlights

Fund 1 – General Fund - \$19,724,333

REVENUES

- The Carry Forward Balance has been estimated utilizing the unaudited end of the year balance at \$6,869,875. Audited Carry Forward Balance for FY 17 was \$6,699,830. We had estimated the carry forward balance for FY 18 to be the same FY 17 audited carry forward balance in the tentative budget, but were fortunate to have received in lieu of tax money for which allowed for the increase in carry forward.
- General Real Property revenue has been estimated to be \$3,900,000. Taxes are budgeted based on rate established by the Board, collections, and prior year, and takes into account money that must be set aside for FSPK (building fund). FY 18 actual collections totaled \$3,903,125.98. Since the Board adopted the compensating rate with .2 cents per \$100 of assessed property that is allowable for exonerations, I have estimated that should generate approximately the same revenue as in FY 18.

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$ 3,236,950.00	\$ 3,450,000.00	\$ 3,475,000.00	\$ 3,536,500.00	\$ 3,610,000.00	\$3,900,000.00
Actual	\$ 3,322,275.21	\$ 3,475,804.94	\$ 3,536,659.54	\$ 3,618,654.64	\$ 3,903,125.98	

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

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$ 95,000.00	\$ 95,000.00	\$ 100,000.00	\$ 120,000.00	\$ 125,000.00	\$130,000.00
Actual	\$ 105,775.75	\$ 133,305.34	\$ 138,445.89	\$ 132,267.17	\$ 145,846.19	

Averages:

3 Year Average	5 Year Average
\$138,853.08	\$131,128.07

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- Delinquent Property tax is estimated at \$50,000 which is the same as the FY 18 Working Budget. FY 18 Revenue was \$44,714.49 FY 17 Revenue was \$56,183.20; FY 16 revenue was \$51,906.29; FY 15 actual revenue was down to \$39,118.38; FY 14 actual revenue was \$49,590.88. You will note the 3 year and 5 year averages remain close to the \$50,000 mark (the five average is being pulled down by the FY 15 Actual).

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$ 50,700.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$50,000.00
Actual	\$ 49,590.88	\$ 39,118.38	\$ 51,906.29	\$ 56,183.20	\$ 44,714.49	

Averages:

3 Year Average	5 Year Average
\$50,934.66	\$48,302.65

- Motor Vehicle revenue is estimated \$510,000 which is \$10,000 more than budgeted for FY 18. You will notice that we exceeded the budgeted amount in FY 18. KDE Tax Reports indicate Trigg County motor vehicle tax rate should generate \$561,445. The three year average is \$505,364.12 and the five year average is \$485,719.52.

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$ 425,000.00	\$ 450,000.00	\$ 440,000.00	\$ 450,000.00	\$ 500,000.00	\$510,000.00
Actual	\$ 450,329.39	\$ 462,175.82	\$ 483,447.39	\$ 514,498.98	\$ 518,146.00	

Averages:

3 Year Average	5 Year Average
\$505,364.12	\$485,719.52

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- Utility tax revenue is estimated at \$850,000 which is an increase of \$10,000 from the FY 18 Working Budget. The FY 18 actual revenue was \$869,596.88. You will note the significant differences in the 3 and 5 year averages. This is primarily because of the drastic decrease in utility tax revenue that has occurred over the last few years (see actuals in chart below). I believe that the budgeted amount of \$850,000 is a realistic projection.

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$ 875,000.00	\$ 875,000.00	\$ 875,000.00	\$ 875,000.00	\$ 840,000.00	\$850,000.00
Actual	\$ 908,671.60	\$ 878,182.72	\$ 814,861.23	\$ 830,754.48	\$ 869,596.88	

Averages:

3 Year Average	5 Year Average
\$838,404.20	\$860,413.38

- Interest income is estimated at \$50,000 which is \$10,000 more than the FY 18 working budget amount. Interest is based on interest rates and the amount of funds available for investing. Actual revenue in FY 16, FY 17, and FY18 exceeded \$50,000. As you can see, revenue based on interest income has increased consistently over the last few years, with a large increase in FY18 due to heavily investing in CD's and increased interest rates. While we believe we should exceed \$50,000 for FY19 we remain conservative due to unknown financial factors.

	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$35,000.00	\$50,000.00
Actual	\$29,014.67	\$39,115.06	\$52,764.23	\$52,784.55	\$109,582.98	

Averages:

3 Year Average	5 Year Average
\$71,710.59	\$56,652.30

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- Revenue In Lieu of Taxes is estimated at \$575,000. 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, which a decrease again in FY18). Additionally, President Trump has indicated on a couple of occasions 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).

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 \$300,000 for a total of \$575,000 mentioned above.

	FY 13	FY 14	FY 15	FY 16	FY17	FY18	FY 19 Budget
Budget	\$650,000.00	\$650,000.00	\$565,419.00	\$564,419.00	\$565,419.00	\$565,419.00	\$ 575,000.00
Actual	\$ 4,771,590.66	\$ 1,672,915.47	\$ 1,596,719.85	\$ 1,456,119.15	\$ 1,517,001.88	\$ 1,480,624.35	
TVA	\$ 536,130.63	\$ 499,962.42	\$ 420,932.29	\$ 282,103.64	\$ 347,844.50	\$ 313,199.84	
Impact	\$ 4,235,460.03	\$ 1,172,953.05	\$ 1,175,787.56	\$ 1,174,015.51	\$ 1,169,157.38	\$ 1,167,424.51	

- SEEK is estimated at \$6,704,008. The FY 18 guaranteed base was \$4,000 per student generating \$7,210,400. KDE has forecast our FY 19 SEEK at \$6,704,008 which is \$122,460 less than this year. The majority of the decrease is a reduction in AADAS, SEEK add-ons for Exceptional Children and Transportation; 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. I actually believe that we may receive more SEEK than projected by KDE as a result of our end of year numbers and our updated property assessment.

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EXPENDITURES- Total Minus Controlled Expenditures listed below - \$14,662,183

- 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.
- Adjustments to Salaries
 - Staffing formula/enrollment with step/rank changes- \$158,000
 - Additional special education instructional assistant for the middle school
 - Added salary for an additional Preschool Teacher and an additional aid (40%; 60% in Title V)
 - Budgeted \$1,500 for a District Web Content Manager
 - Increased salary for Transportation Director to accommodate the change to certified position.
 - We have budgeted \$10,000 for behavior specialist/school psychologist should additional help be needed.
- Fund transfers show the money earmarked for the KETS match that is due in FY 19.
- Student insurance, property and general liability insurance, and workmen's compensation insurance have all been adjusted based on awarded bids and quotes
- Additional cost of adding a SRO
- Adjusted cost of collections for property tax in the amount of \$8,000
- Annual teacher laptop replacement of 25%
- Purchase of two busses
- Budgeted \$15,800 for Thoroughbred Academy
- Added \$10,000 for pest management
- Added \$7,000 for Band Instrument
- Due to lack of funding for staff development and textbooks from the state level we have allocated \$10,000 for additional staff development and \$30,000 for schools to request for materials related to their strategic plan or school improvement plan
- Fuel cost have been allocated to each school to cover the mileage charge for bus usage
- Adjusted some of the controlled expenditures based upon allocations of additional revenue from our carry-forward balance and additional property tax revenue; however, most of the controlled expenditures were simply restored to the same amounts as in the FY 18 Working Budget.

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“CONTROLLED EXPENDITURES” – TOTAL \$5,059,150

Munis Code	Description	FY 17 Working	FY 18 Working	FY 19 Working
0001100-0734	Computers & Related Equip.*	\$360,000.00	\$360,000.00	\$330,000.00
0001106-0710	Land Acquisition*	\$710,000.00	\$727,250.00	\$700,000.00
0001106-0720	Buildings	\$126,766.00	\$127,000.00	\$145,000.00
0001107-0450	Site Improvement - Construction Services	\$640,473.00	\$641,000.00	\$600,000.00
0001107-0710	Site Improvement - Land & Improvements	\$100,000.00	\$155,325.00	\$250,000.00
0001122-0346	AR EN SVCS	\$30,000.00	\$30,000.00	\$640,000.00
0001122-0450	Land Improvement - Construction*	\$250,000.00	\$250,000.00	\$250,000.00
0001122-0733	Land Improvement - Furniture & Fixtures*	\$75,000.00	\$75,000.00	\$75,000.00
9011096-0731	New Diesel Tank & Pumps*	\$625,000.00	\$625,000.00	\$625,000.00
0011071-0820	Court Judgements	\$235,000.00	\$235,000.00	\$235,000.00
0001123-0343	Legal Services	\$55,000.00	\$55,000.00	\$55,000.00
0001787	NxGL (everything but salary codes)	\$50,000.00	\$40,500.00	\$54,150.00
0001840-0840	Contingency	\$1,074,827.00	\$1,074,827.00	\$1,100,000.00
Total		\$4,332,066.00	\$4,395,902.00	\$5,059,150.00

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FUND 2 – SPECIAL REVENUE- \$2,402,532

Fund II (Special Revenue) includes restricted funds designated for specific purposes (state and federal grant programs). The FY 19 budget is \$2,402,532 compared to \$2,562,508 in the FY 18 Working Budget approved in Sept. 2018. We have attached the description of each of the Fund 2 Projects from the FY 19 Working Budget along with a comparison to the preceding year.

Specific points of interest in regard to Fund 2:

- KETS funding includes the match from the General Fund.
- The flex focus funds instructional resources and staff development received no funding for FY19.
- We were no longer eligible to receive Adult Education Funds.
- 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.

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 - \$977,591 (number doesn't calculate)

Fund 400 is a 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. Food Service has seen a decrease in their carry-forward balance over the last couple of years which is complicating balancing their budget. Mrs. Dickerson is working to increase revenue through additional participation of students and adults, but will also be looking at ways to control expenditures.

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 2018 anticipated salary and fringe costs and projected food costs.

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Total Tentative Budget - \$25,747,964

Fund 1	General Fund	\$19,724,333
Fund 2	Special Revenue	\$2,402,532
Fund 310	Capital Outlay	\$1,365,928
Fund 400	Debt Service	\$977,591
Fund 320	Building Fund	\$1,099,396
Fund 51	Food Service	\$981,165
Fund 52	Trigg Tots	\$174,610
Total		\$25,747,964