

HILLMAN COMMUNITY SCHOOLS

TAX & BUDGET HEARING

Fiscal Year 2022 – 2023

June 14, 2022



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Tax Rate Request: L-4029 Form
Fiscal Year 2022 – 2023

The 2022 Tax Rate Request form (L-4029) was completed based on the taxable value information provided by Montmorency County in their L-4028. During the 2022 - 2023 fiscal year, Hillman Community Schools is requesting to levy the following:

Operating Millage - 18.0000 mills on Non-PRE; taxable values of \$99,772,663
Debt Millage - 2.4400 mills on all properties; taxable values of \$192,981,524
Sinking Millage - 0.9964 mills on all properties; taxable values of \$192,981,524

Hillman Community Schools is requesting to levy all three millages in the summer tax collection period.

General Fund Budget Assumptions Fiscal Year 2022 – 2023

Revenues:

The preliminary budget for 2022 – 2023 has estimated revenues of \$5,695,615. When this budget was prepared, the State had not approved a budget for the School Aid Fund for 2022 – 2023; therefore, this budget will change during the year as more information on revenues becomes known.

This budget reflects a \$300/pupil increase to the Foundation Allowance, making it \$9,000 per FTE pupil. The estimated pupil count is 416 FTE, based on the three-year blend calculation. The Foundation Allowance revenue budget is approximately \$3,744,000 with almost \$1,800,000 being generated by the 18 mill tax levy (local source of revenue), and the remainder of the Foundation Allowance will be paid to the District in our monthly State Aid payments.

Additional State sources of revenue included in this budget include: Special Education Cost reimbursement (no change to the reimbursement rate), 147 Retirement Revenues (a1, a2, c & e), At-Risk Funding (including approximately \$130,000 carryover from 2021-2022), Early Literacy Coaches Grant, and a Competitive School Safety Grant. The District will see a decrease in State Revenues (and subsequent expenditures) for the 31n Mental Health Services because the AMA ESD will pay/provide services directly (no service to Hillman Schools will be lost, but we will no longer flow the revenues and expenditures through our budget).

Federal Sources include: Title I, Title II, and Title VI all budgeted at 90% of the 2021-2022 allocation. The carryover funds for the ESSER II Section 23b Summer School Grants and ESSER III Grant have also been included in the budget.

Transfer/Other Sources of revenue include: AMA ESD Special Education reimbursement, Technology Service Agreement with Atlanta Community Schools, and indirect costs from the Food Service Fund.

Expenditures:

Total expenditures for the 2022-2023 fiscal year are budgeted at \$5,614,580.

The 2022-2023 payroll and benefit costs are budgeted with the following assumptions:

- Teacher and Support Staff Contract salary increases based on current bargaining agreements (2022-2023 is Year 2 of the three-year agreement for both CBAs)
- Retirement Rate Ranges:
 - 36.01% - 43.28% through 9/30/2022
 - 37.61% - 44.88% 10-1-2022 – 6/30/2023
- State-Mandated Health Insurance Caps:
 - Single - \$7,399.47
 - 2-Person - \$15,474.60
 - Family - \$20,180.43
- Superintendent – 80% Superintendent/Business Office and 20% Title I Director
- Elementary Principal – 50% Elementary Principal and 50% Title I Teacher

- Addition of a CTE program, including 1.0 FTE Teacher
- Additional of MS/HS Science Teacher
- Additional salary/benefits for summer custodial help
- Instructional Aides funded by Special Education (which will be eligible for special education reimbursement)
- 0.5 FTE Instructional Coach (partially funded by the Literacy Coach Funds)

Other expenditures assumptions include:

- \$150,000 budgeted for building improvements (Capital Outlay)
- Transportation – 5 routes
- Business Services provided by AMA ESD
- Shared Technology Services with Atlanta Community Schools
- Continued lease payments for copiers
- Continued payment for School Bus Loan
- Reduction of 31n Mental Health costs (see revenues)
- Title I, I & IV grants expenditures budgeted at 90% of 2021-2022 allocation
- Expenses for ESSER II Summer School & ESSER III grants

Estimated Fund Balance at 6-30-2022	\$1,371,275
Estimated 2022 – 2023 Revenues	\$5,695,615
Estimated 2022 – 2023 Expenditures	\$5,614,580
2022 – 2023 Over/Under	\$ 81,035
2022 – 2023 Projected Fund Balance	\$1,452,310
Fund Equity as a % of Expenditures	25.87%

Comments:

This preliminary budget is being presented for the 2022-2023 fiscal year. Throughout the fiscal year, we will amend this budget, as needed, based on changes to funding, pupil-enrollment, grant allocations, staffing needs, etc. Currently, the estimated fund balance is healthy at approximately 25% of expenditures on 6/30/2023. This large fund balance is likely due to the large amounts of federal funds received as a result of the COVID pandemic. As these federal funds start to dwindle, the Board will notice that we will likely start to dip back into our fund balance with deficit spending.

Food Service Fund Budget Assumptions
Fiscal Year 2022 – 2023

Throughout the pandemic, schools were providing breakfast and lunch free to all students. On June 30, 2022, it is anticipated that the State's waiver will end and Hillman Community Schools will return to the structure they had in place prior to the pandemic. With that in mind, it is projected that the Food Service fund will have an increase in local revenues for student meal revenues. The budgeted decrease in state and federal revenues is for one-time money received in 2021-2022.

The increase in Food Service expenditures is primarily for the increase in wages and benefits and for the rising costs of food.

Student Activity Fund Budget Assumptions
Fiscal Year 2022 – 2023

Hillman Community Schools is required to adopt a budget for the Special Revenue Fund, the "Student Activity Fund", as required by GASB 84. The revenues and expenditures are generated and expensed by student groups within the District, including sports teams, Class of 20xx groups, NHS, etc. The operating ledger for the Student Activity Fund is maintained by the High School Administrative Assistant, with assistance from the Business Office.

2015 Debt Retirement Fund Budget Assumptions
Fiscal Year 2022 – 2023

The 2022-2023 fiscal year is the final year for the bond payment, therefore, it is the final year to levy the Debt millage. The Debt millage to be levied in Summer 2022 is reduced to 2.44 mills for this year. With assistance from PFM, the District's Bond Counsel, it was calculated that the fund balance at 6/30/2022 plus the revenue generated this year will be more than enough to make our final bond payment. Any residual bond funds at 6/30/2023 shall be available to transfer to a future Debt Retirement Fund or to be transferred to the General Fund.

Sinking Fund Budget Assumptions
Fiscal Year 2022 – 2023

The 2022-2023 fiscal year sinking fund revenues are projected to be approximately \$191,500 which are generated from the 0.9964 mill levy (note last year Hillman had a Headlee Rollback which reduced the 1.0 mill to 0.9964 mill permanently). The anticipated Sinking Fund projects for 2022-2023 include roofing work at the Elementary building and new doors at the Elementary building. As of June 30, 2023, the Sinking Fund is projected to have a \$146,781 fund balance, respectively.

**Hillman Community Schools
General Fund
2022-2023 Original Budget**

	AUDITED 2019-2020	AUDITED 2020-2021	UNAUDITED BUDGET 2021-2022	6/14/2022 PROPOSED BUDGET 2022-2023	Dollar Change In Budget	% Change In Budget
Revenues						
Local Sources	\$ 1,971,431	\$ 2,080,088	\$ 1,863,671	\$ 1,901,138	\$ 37,467	2%
State Sources	\$ 2,263,223	\$ 2,648,831	\$ 2,875,454	\$ 2,770,609	\$ (104,845)	-4%
Federal Sources	\$ 192,211	\$ 609,813	\$ 1,042,654	\$ 875,818	\$ (166,836)	-16%
Incoming Transfers and Other	\$ 728,100	\$ 166,099	\$ 169,230	\$ 148,050	\$ (21,180)	-13%
Total Revenues	\$ 5,154,965	\$ 5,504,831	\$ 5,951,009	\$ 5,695,615	\$ (255,394)	-4%
Expenditures						
INSTRUCTIONAL SERVICES						
Elementary	\$ 904,727	\$ 795,338	\$ 1,182,110	\$ 1,127,618	\$ (54,492)	-5%
High School	\$ 1,124,415	\$ 1,021,688	\$ 1,236,711	\$ 1,160,600	\$ (76,111)	-6%
Added Needs	\$ 569,601	\$ 817,691	\$ 826,267	\$ 899,694	\$ 73,427	9%
TOTAL INSTRUCTIONAL	\$ 2,598,743	\$ 2,634,717	\$ 3,245,088	\$ 3,187,912	\$ (57,176)	-2%
SUPPORT SERVICES						
Operations/Maintenance	\$ 539,198	\$ 553,506	\$ 562,320	\$ 576,934	\$ 14,614	3%
Transportation	\$ 260,602	\$ 267,688	\$ 316,871	\$ 323,180	\$ 6,309	2%
School Administration	\$ 350,502	\$ 369,437	\$ 380,030	\$ 316,897	\$ (63,133)	-17%
General Administration	\$ 103,120	\$ 102,200	\$ 209,129	\$ 223,937	\$ 14,808	7%
Business Services	\$ 186,613	\$ 199,887	\$ 228,620	\$ 214,610	\$ (14,010)	-6%
Technology	\$ 170,570	\$ 252,652	\$ 216,835	\$ 187,313	\$ (29,522)	-14%
Pupil & Instructional Staff	\$ 116,816	\$ 187,670	\$ 344,994	\$ 130,460	\$ (214,534)	-62%
TOTAL SUPPORT SERVICES	\$ 1,727,421	\$ 1,933,040	\$ 2,258,799	\$ 1,973,331	\$ (285,468)	-13%
COMMUNITY SERVICES	\$ 193	\$ 1,200	\$ 467	\$ -	\$ (467)	-100%
ATHLETICS	\$ 75,688	\$ 100,636	\$ 114,570	\$ 117,500	\$ 2,930	3%
CAPITAL OUTLAY	\$ 565,244	\$ 76,834	\$ 242,038	\$ 223,000	\$ (19,038)	-8%
DEBT SERVICE						
Principal Retirement	\$ 11,699	\$ 121,391	\$ 98,142	\$ 102,447	\$ 4,305	4%
Interest & Fees Long-Term Debt	\$ 1,212	\$ 14,178	\$ 12,751	\$ 10,390	\$ (2,361)	-19%
Total Expenditures	\$ 4,980,200	\$ 4,881,996	\$ 5,971,855	\$ 5,614,580	\$ (357,275)	-6%
Excess of Rev. Over (Under) Exp.	\$ 174,765	\$ 622,835	\$ (20,846)	\$ 81,035		
Est. Fund Balance at 6/30/2023				\$ 1,452,310		
Audited Fund Balance	\$ 769,286	\$ 1,392,121	\$ 1,371,275	Fund Balance over Expenditures @ 6-30-2023 25.87%		

Hillman Community Schools

Food Service Fund

2022-2023 Original Budget

	AUDITED 2019-2020	AUDITED 2020-2021	UNAUDITED BUDGET 2021-2022	6/14/2022 PROPOSED BUDGET 2022-2023	Dollar Change In Budget	% Change In Budget
Revenues						
Local Sources	\$ 41,385	\$ 8,242	\$ 12,260	\$ 49,010	\$ 36,750	300%
State Sources	\$ 12,737	\$ 14,233	\$ 26,911	\$ 14,700	\$ (12,211)	-45%
Federal Sources	\$ 388,436	\$ 334,871	\$ 301,388	\$ 278,000	\$ (23,388)	-8%
Incoming Transfers and Other	\$ -	\$ -	\$ -		\$ -	
Total Revenues	\$ 442,558	\$ 357,346	\$ 340,559	\$ 341,710	\$ 1,151	0%
Expenditures						
Food Services:						
Wages & Benefits	\$ 143,693	\$ 157,141	\$ 154,800	\$ 159,900	\$ 5,100	3%
Food Costs	\$ 172,418	\$ 144,946	\$ 126,000	\$ 133,000	\$ 7,000	6%
Commodities Costs	\$ 14,955	\$ 11,055	\$ 19,110	\$ 20,500	\$ 1,390	7%
Purchased Services	\$ 6,544	\$ 6,476	\$ 14,350	\$ 13,500	\$ (850)	-6%
Supplies, Materials, Non Food	\$ 6,185	\$ 6,374	\$ 11,500	\$ 12,000	\$ 500	4%
Capital Outlay	\$ 15,173	\$ -	\$ -		\$ -	
Total Expenditures	\$ 358,968.00	\$ 325,992	\$ 325,760	\$ 338,900	\$ 13,140	4%
Outgoing Transfers	22,810.00	\$ 24,643	\$ 25,750	\$ 17,500	\$ (8,250)	-32%
Total Appropriated	381,778.00	\$ 350,635	\$ 351,510	\$ 356,400	\$ 4,890	1%
Excess Rev. Over(Under) Exp	60,780.00	\$ 6,711	\$ (10,951)	\$ (14,690)		
Audited Fund Balance:	\$ 74,519	\$ 81,230	\$ 70,279			
Estimated Fund Balance 6/30/2023				\$ 55,589		
Fund Balance over Expenditures @ 6-30-2023 15.60%						

Hillman Community Schools

Student Activity Fund

2022-2023 Original Budget

	AUDITED 2019-2020	AUDITED 2020-2021	UNAUDITED BUDGET 2021-2022	6/14/2022 PROPOSED BUDGET 2022-2023	Dollar Change In Budget	% Change In Budget
Revenues						
Local Sources	\$ 53,241	\$ 58,016	\$ 90,310	\$ 70,010	\$ (20,300)	-22%
State Sources	\$ -	\$ -	\$ -			
Federal Sources	\$ -	\$ -	\$ -			
Incoming Transfers and Other	\$ -	\$ -	\$ -			
Total Revenues	\$ 53,241	\$ 58,016	\$ 90,310	\$ 70,010	\$ (20,300)	-22%
Expenditures						
Student Activity Accounts	\$ 39,755	\$ 59,386	\$ 92,300	\$ 70,000	\$ (22,300)	-24%
Total Expenditures	\$ 39,755.00	\$ 59,386	\$ 92,300	\$ 70,000	\$ (22,300)	
Outgoing Transfers	\$ -	\$ -	\$ -	\$ -		
Total Appropriated	39,755.00	\$ 59,386	\$ 92,300	\$ 70,000	\$ (22,300)	-24%
Excess Rev. Over(Under) Exp	13,486.00	\$ (1,370)	\$ (1,990)	\$ 10		
Audited Fund Balance:	\$ 85,482	\$ 84,112	\$ 82,122			
Estimated Fund Balance 6/30/2023				\$ 82,132		

Adoption of the Student Activity Fund as a special revenue fund is due to the adoption of GASB 84. These activity accounts were previously held in the Trust & Agency Funds, but are now required to be accounted as either a special revenue fund or an agency fund.

Hillman Community Schools 2015 Debt Retirement Fund 2022-2023 Original Budget

	AUDITED 2019-2020	AUDITED 2020-2021	UNAUDITED BUDGET 2021-2022	6/14/2022 PROPOSED BUDGET 2022-2023	Dollar Change In Budget	% Change In Budget
Revenues						
Local Sources:						
Property Tax Levy	\$ 520,448	\$ 527,183	\$ 549,145	\$ 441,238	\$ (107,907)	-20%
Other Local Revenue (Interest)	\$ 5,571	\$ 190	\$ 2,950	\$ 1,100	\$ (1,850)	-63%
State Sources	\$ 23,562	\$ 24,210	\$ 26,000	\$ 20,850	\$ (5,150)	-20%
Total Revenue	\$ 549,581	\$ 551,583	\$ 578,095	\$ 463,188	\$ (114,907)	-20%
Incoming Transfer	\$ -	\$ -	\$ -			
Total Revenue and Transfers	\$ 549,581	\$ 551,583	\$ 578,095	\$ 463,188	\$ (114,907)	-20%
Expenditures						
Debt Retirement:						
Principal	\$ 500,000	\$ 510,000	\$ 520,000	\$ 525,000	\$ 5,000	1%
Interest	\$ 43,725	\$ 33,725	\$ 23,525	\$ 13,126	\$ (10,399)	-44%
Other Costs	\$ 560	\$ 749	\$ 1,500	\$ 1,000	\$ (500)	-33%
Total Expenditures	\$ 544,285	\$ 544,474	\$ 545,025	\$ 539,126	\$ (5,899)	-1%
Outgoing Transfers	\$ -		\$ -	\$ -		
Total Appropriated	\$ 544,285	\$ 544,474	\$ 545,025	\$ 539,126	\$ (5,899)	-1%
Excess Rev. Over(Under) Exp	\$ 5,296	\$ 7,109	\$ 33,070	\$ (75,938)		
Audited Fund Balance:	\$ 96,717	\$ 103,826	\$ 136,896			
Estimated Fund Balance 6/30/2023				\$ 60,958		

Note: This fund is used to account for the funds collected to pay the principal, interest, and other related costs related to the bonds. 2022-2023 is the final year of bond payments.

Hillman Community Schools Sinking Fund 2022-2023 Original Budget

	AUDITED 2019-2020	AUDITED 2020-2021	UNAUDITED BUDGET 2021-2022	6/14/2022 PROPOSED BUDGET 2022-2023	Dollar Change In Budget	% Change In Budget
Revenues						
Local Sources:						
Property Tax Levy	\$ 179,453	\$ 181,774	\$ 188,679	\$ 191,500	\$ 2,821	1%
Other Local Revenue (Interest)	\$ 1,025	\$ 67	\$ 1,100	\$ 600	\$ (500)	-45%
State Sources	\$ -	\$ 154	\$ 120	\$ 100	\$ (20)	-17%
Total Revenue	\$ 180,478	\$ 181,995	\$ 189,899	\$ 192,200	\$ 2,301	1%
Incoming Transfer	\$ -	\$ -	\$ -			
Total Revenue and Transfers	\$ 180,478	\$ 181,995	\$ 189,899	\$ 192,200	\$ 2,301	1%
Expenditures						
Contacted Services/Repairs	\$ 3,542	\$ 56,737	\$ 115,000	\$ 50,000	\$ (65,000)	-57%
Supplies/Materials/Misc	\$ 86,923	\$ 44,100	\$ 45,350	\$ 700	\$ (44,650)	-98%
Capital Outlay	\$ 7,980	\$ 959	\$ 45,000	\$ 141,500	\$ 96,500	214%
Total Expenditures	\$ 98,445	\$ 101,796	\$ 205,350	\$ 192,200	\$ (13,150)	-6%
Outgoing Transfers	\$ -		\$ -			
Total Appropriated	\$ 98,445	\$ 101,796	\$ 205,350	\$ 192,200	\$ (13,150)	-6%
Excess Rev. Over(Under) Exp	\$ 82,033	\$ 80,199	\$ (15,451)	\$ -		
Audited Fund Balance:	\$ 82,033	\$ 162,232	\$ 146,781			
Estimated Fund Balance 6/30/2023				\$ 146,781		

The 2022-2023 Fiscal Year is the fourth year the Sinking Fund will be levied per the authorized 10 year period including 2019 to 2028 inclusive.