

SMITHTON COMMUNITY CONSOLIDATED SCHOOL DISTRICT #130
Smithton, Illinois
Finance Committee Meeting, Monday, May 22, 2017
MINUTES

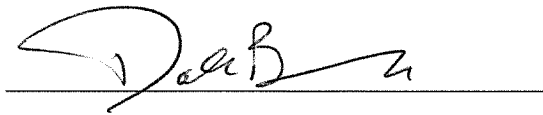
The Finance Committee Meeting of Smithton Community Consolidated School District #130 was held on Monday, May 22, 2017 in the Superintendent's Office, 316 South Hickory, Smithton, Illinois 62285.

Sara Sutherland, Secretary to the Committee recorded minutes of the finance committee meeting held on Monday, May 22, 2017 beginning at 6:00 p.m.

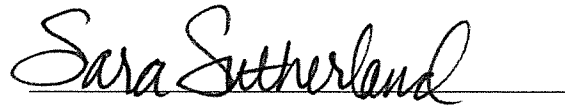
- 1.0 The meeting was called to order by Chairman Gabrielle Schwemmer at 6:00 p.m.
- 2.0 The Pledge of Allegiance was recited by all.
- 3.0 Roll Call: Committee Chair Gabrielle Schwemmer, Board President Dale Barschak, and Board Secretary Sara Sutherland were all present. Also in attendance at the meeting were Superintendent Susan Homes and Business Director Heidi Etling.
- 4.0 Public Input: There was no public input.
- 5.0 Discussion – **Amended 2016-2017 Budget:** Mrs. Etling distributed the attached overview of the proposed amended FY17 budget. Mrs. Etling reported that the expected Education Fund deficit will come in slightly higher than originally anticipated due to the delay by the state in distributing the mandated categorical payments. She further stated that the district had received one late payment for FY16 after July 1 and had received only one of four payments in FY17. She also reported that the state is unlikely to release any additional categorical payments prior to the end of the FY17 year on June 30. In addition to the loss of revenue for mandated categoricals, the district had experienced higher-than-expected special education tuition costs for a number of students who moved into the district for the 2016-2017 school year with required IEP-based placement out of the district.
- 6.0 Discussion – **Certificates of Deposit:** Mrs. Etling reported that she had been shopping CD rates and is considering opening a brokerage account with Regions Bank to take advantage of some favorable rates while maintaining protection of the district's assets. She reiterated the practice that she and Dr. Homes had adopted of laddering the district's financial instruments to have the necessary liquidity for payments through the school year.
- 7.0 Discussion: **Future Funding for Building Expansion:** Dr. Homes reported that she and Mrs. Etling had recently met with Anne Noble and Sean McCarthy of Stifel to discuss some options with regard to financing the building expansion project that was sidetracked when the one cent sales tax initiative on the recent ballot was unsuccessful. The committee was interested in having Dr. Homes extend an invitation to Anne and Sean to have a broader Board presentation later in the summer (August or September).

Dr. Homes is going to reach out to Anne Noble regarding a possible timeline for placing an initiative on the November 2018 ballot.

8.0 The meeting was adjourned at 6:30 p.m.

A handwritten signature in cursive script, appearing to read "D. B.", written over a horizontal line.

President

A handwritten signature in cursive script, reading "Sara Sutherland", written over a horizontal line.

Secretary

Date: May 22, 2017

TO: Board Members

From: Heidi Etling
Director of Business Services

RE: Tentative Amended Budget for July 01, 2016 – June 30, 2017

A summary comparison is presented to show the Original Budget vs Tentative Amended Budget for FY 17. A public hearing is set for June 27, 2017 to approve and adopt the final amended budget. The Budget must be filed with the State Board of Education within 30 days of local board adoption.

The Budget is being amended to primarily reflect the expected shortfall in mandated categorical state payments, which support special education and transportation. Although our district is receiving 100% of General State Aid payments, we have only received one mandated categorical payment for FY 17, and it is likely that the State of IL will delay payment of the other three payments until FY 18.

The Education Fund will be impacted the most by the delay in these payments. The deficit is projected to increase to \$357,829 vs \$313,147 as reflected in the original budget.

FY 17 Budget Summary						
Fund	Original Budget (Adopted September 20, 2016)			Amended Budget (As presented May 22, 2017)		
	Revenues	Expenses	Surplus (Deficit)	Revenues	Expenses	Surplus (Deficit)
Education	\$ 3,315,437	\$ 3,628,584	\$ (313,147)	\$ 3,238,420	\$ 3,596,249	\$ (357,829)
Operations & Maint.	\$ 300,206	\$ 298,250	\$ 1,956	\$ 308,206	\$ 305,950	\$ 2,256
Debt Service	\$ 172,255	\$ 165,753	\$ 6,502	\$ 172,255	\$ 165,753	\$ 6,502
Transportation	\$ 145,900	\$ 142,500	\$ 3,400	\$ 130,501	\$ 129,100	\$ 1,401
IMRF\FICA\SSN	\$ 209,349	\$ 181,445	\$ 27,904	\$ 209,349	\$ 183,645	\$ 25,704
Capital Projects	\$	\$	\$	\$	\$	\$
Working Cash	\$ 45,778	\$ -	\$ 45,778	\$ 45,778	\$ -	\$ 45,778
Tort	\$ 275,330	\$ 270,450	\$ 4,880	\$ 275,330	\$ 273,650	\$ 1,680
Fire & Safety	\$ 45,778	\$ 102,000	\$ (56,222)	\$ 45,778	\$ 102,000	\$ (56,222)
Total	\$ 4,510,033	\$ 4,788,982	\$ (278,949)	\$ 4,425,617	\$ 4,756,347	\$ (330,730)

Significant Changes in Revenue Items

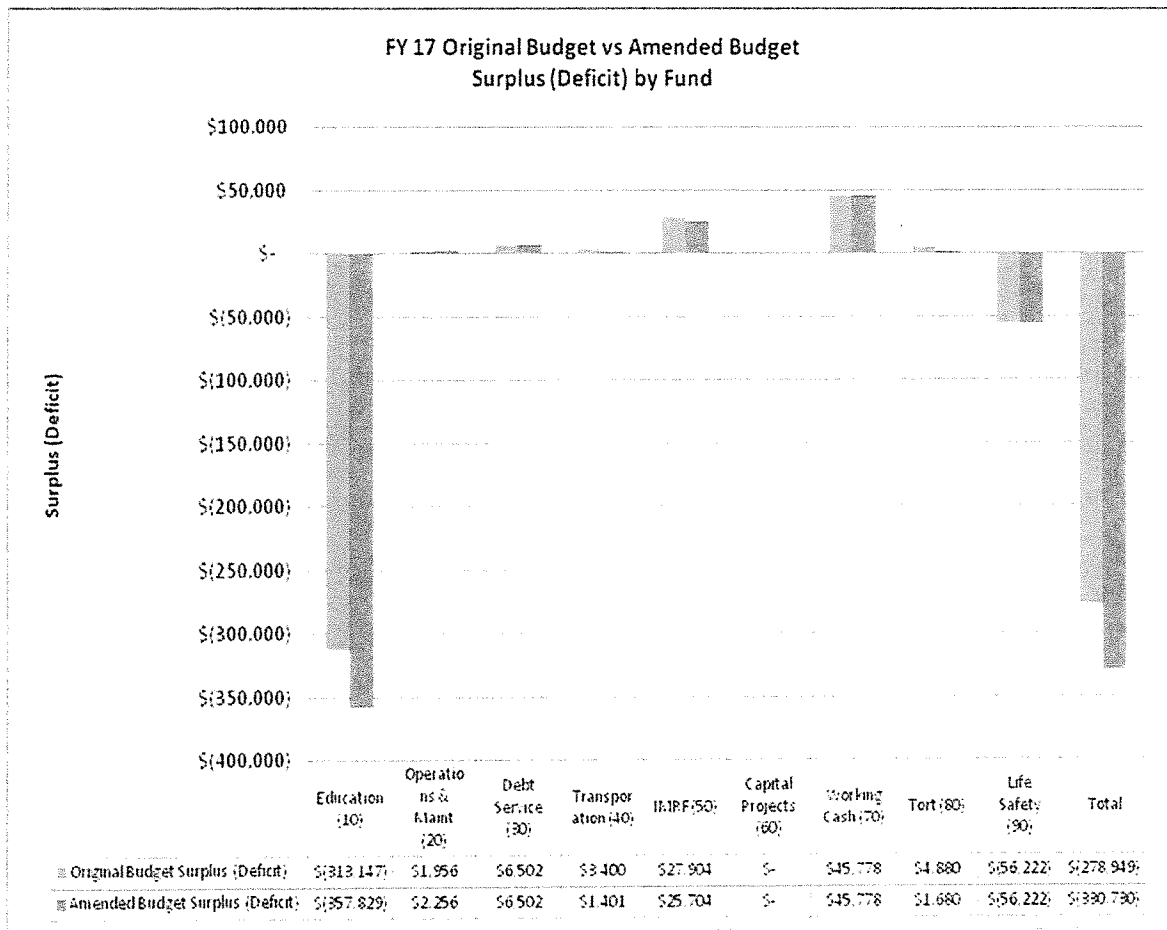
- Reduce Sp Ed Categorical pymts in Fund 10 by \$62,317. Delay with State of IL.
- Reduce Transportation Categorical by \$15,399. Delay with State of IL.
- Reduce Title I Revenues by \$14,000-Funds will be received but not until FY 18

Significant Changes in Expense Items:

- Decrease Substitute Salaries by \$18,500
- Reduce Sp Ed Aide Salaries by \$12,000 (J. Sehr paid from Title Grant)
- Reduce Title I Workshops by \$14,000; Increase Title I Aide by \$11,000
- Increase Sp Ed tuition by \$20,000
- Reduce Athletic Director \$3,000. Stipend paid by Activity Account.

Other Changes:

- Pay IPAD\Chromebook cases out of Fund 20, \$6,600. Originally budgeted in Ed Fund 10.
- Pay \$5,000 in Legal Services out of Tort Fund. Originally budgeted in Ed Fund.
- Transfer \$6,000 in Contingency Money in O&M Fund to line item 20.2540.490 (Furniture\Equipment). Use funds for equipment.



BUDGET SUMMARY

A	B	C	D	E	F	G	H	I	J	K	L
Description (Enter Whole Numbers Only)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Service	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety	
1 Begin entering data on Est/Rev 5-10 and Est/Exp 11-17 tabs.											
2 ESTIMATED BEGINNING FUND BALANCE July 1, 2016 ¹		1,852,025	1,143,563	58,752	517,339	157,176		359,251	114,312	284,420	
3 RECEIPTS/REVENUES											
4 LOCAL SOURCES											
5 FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT	1000	1,978,615	308,206	172,255	112,900	209,349	0	45,778	274,864	45,778	
6 STATE SOURCES	2000	0	0	0	0	0	0	0	466	0	
7 FEDERAL SOURCES	3000	1,077,176	0	0	17,601	0	0	0	0	0	
8 Total Direct Receipts/Revenues ⁸	4000	182,629	0	0	0	0	0	0	0	0	
9 Receipts/Revenues for "On Behalf" Payments ²	3998	3,238,420	308,206	172,255	130,501	209,349	0	45,778	275,330	45,778	
10 Total Receipts/Revenues		3,238,420	308,206	172,255	130,501	209,349	0	45,778	275,330	45,778	
11 DISBURSEMENTS/EXPENDITURES											
12 INSTRUCTION	1000	2,481,412				61,400					
13 SUPPORT SERVICES	2000	958,744	305,950		129,100	113,945	0		273,650	102,000	
14 COMMUNITY SERVICES	3000	31,093	0		0	3,300					
15 PAYMENTS TO OTHER DISTRICTS & GOVT UNITS	4000	127,000	0	0	0	5,000	0			0	
16 DEBT SERVICES	5000	0	0	165,753	0	0	0		0	0	
17 PROVISION FOR CONTINGENCIES	6000	0	0	0	0	0	0		0	0	
18 Total Direct Disbursements/Expenditures ⁹		3,596,249	305,950	165,753	129,100	183,645	0		273,650	102,000	
19 Disbursements/Expenditures for "On Behalf" Payments ²	4180	0	0	0	0	0	0		0	0	
20 Total Disbursements/Expenditures		3,596,249	305,950	165,753	129,100	183,645	0		273,650	102,000	
21 Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures		(357,829)	2,256	6,502	1,401	25,704	0	45,778	1,680	(56,222)	
22 OTHER SOURCES/USES OF FUNDS											
23 OTHER SOURCES OF FUNDS (7000)											
24 PERMANENT TRANSFER FROM VARIOUS FUNDS											
25 Abolishment the Working Cash Fund ¹⁵	7110										
26 Abatement of the Working Cash Fund ¹⁶	7110										
27 Transfer of Working Cash Fund Interest	7120										
28 Transfer Among Funds	7130										
29 Transfer of Interest	7140										
30 Transfer from Capital Projects Fund to O&M Fund	7150		0								
31 Transfer of Excess Fire Prev & Safety Tax & Interest ³	7160		0								
32 Proceeds to O&M Fund											
33 Transfer of Excess Accumulated Fire Prev & Safety Bond and Int ^{3a}	7170										
34 Proceeds to Debt Service Fund				0							
35 SALE OF BONDS (7200)											
36 Principal on Bonds Sold ⁴	7210										
37 Premium on Bonds Sold	7220										
38 Accrued Interest on Bonds Sold	7230										
39 Sale or Compensation for Fixed Assets ⁵	7300										
40 Transfer to Debt Service to Pay Principal on Capital Leases	7400			0							
41 Transfer to Debt Service Fund to Pay Interest on Capital Leases	7500			0							
42 Transfer to Debt Service Fund to Pay Principal on Revenue Bonds	7600			0							
43 Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0							
44 Transfer to Capital Projects Fund	7800						0				
45 ISBE Loan Proceeds	7900										
46 Other Sources Not Classified Elsewhere ⁸	7990										
Total Other Sources of Funds ⁸		0	0	0	0	0	0	0	0	0	0

	A	B	C	D	E	F	G	H	I	J	K	L
	Description (Enter Whole Numbers Only)	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Service	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety	
1	Begin entering data on EstRev 5-10 and EstExp 11-17 tabs.											
2												
47	OTHER USES OF FUNDS (0000)											
49	TRANSFER TO VARIOUS OTHER FUNDS (8100)											
50	Abolishment or Abatement of the Working Cash Fund ¹⁶	8110										
51	Transfer of Working Cash Fund Interest	8120							0			
52	Transfer Among Funds	8130							0			
53	Transfer of Interest ⁶	8140										
54	Transfer from Capital Projects Fund to O&M Fund	8150										
54	Transfer of Excess Fire Prev & Safety Tax & Interest ³	8160										
55	Proceeds to O&M Fund	8170										
56	Transfer of Excess Accumulated Fire Prev & Safety Bond ^{3a}	8410										
57	Taxes Pledged to Debt Service Fund and Int Proceeds to Pay Principal on Capital Leases	8420										
58	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8430										
59	Other Revenues Pledged to Pay Principal on Capital Leases	8440										
60	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8510										
61	Taxes Pledged to Pay Interest on Capital Leases	8520										
62	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8530										
63	Other Revenues Pledged to Pay Interest on Capital Leases	8540										
64	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8610										
65	Taxes Pledged to Pay Principal on Revenue Bonds	8620										
66	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8630										
67	Other Revenues Pledged to Pay Principal on Revenue Bonds	8640										
68	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8710										
69	Taxes Pledged to Pay Interest on Revenue Bonds	8720										
70	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8730										
71	Other Revenues Pledged to Pay Interest on Revenue Bonds	8740										
72	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8810										
73	Taxes Transferred to Pay for Capital Projects	8820										
74	Grants/Reimbursements Pledged to Pay for Capital Projects	8830										
75	Other Revenues Pledged to Pay for Capital Projects	8840										
76	Fund Balance Transfers Pledged to Pay for Capital Projects	8910										
77	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8990										
78	Other Uses Not Classified Elsewhere											
79	Total Other Uses of Funds ⁹		1,494,196	1,145,819	66,254	518,740	182,880	0	405,029	115,992	220,198	
80	Total Other Sources/Uses of Fund											
81	ESTIMATED ENDING FUND BALANCE June 30, 2017											
82												
83												
84												
85												
SUMMARY OF EXPENDITURES (by Major Object)												
	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Service	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety	Total By Object
86	Object Name											
87	Salaries	100	2,705,897	0	0	64,500	183,645	0	0	163,000	0	2,933,397
88	Employee Benefits	200	525,604	0	0	0	0	0	0	21,200	0	730,449
89	Purchased Services	300	172,174	127,950	0	46,000	0	0	0	79,200	5,000	430,324
90	Supplies & Materials	400	68,724	151,500	0	12,500	0	0	0	5,250	7,000	244,974
91	Capital Outlay	500	0	26,500	0	6,100	0	0	0	5,000	90,000	127,600
92	Other Objects	600	123,850	0	165,753	0	0	0	0	0	0	289,603
93	Non-Capitalized Equipment	700	0	0	0	0	0	0	0	0	0	0
94	Termination Benefits	800	0	0	0	0	0	0	0	0	0	0
95	Total Expenditures		3,596,249	305,950	165,753	129,100	183,645	0	0	273,650	102,000	4,766,347