



HART COUNTY SCHOOLS

Budget Committee Presentation

SCHOOL FINANCE

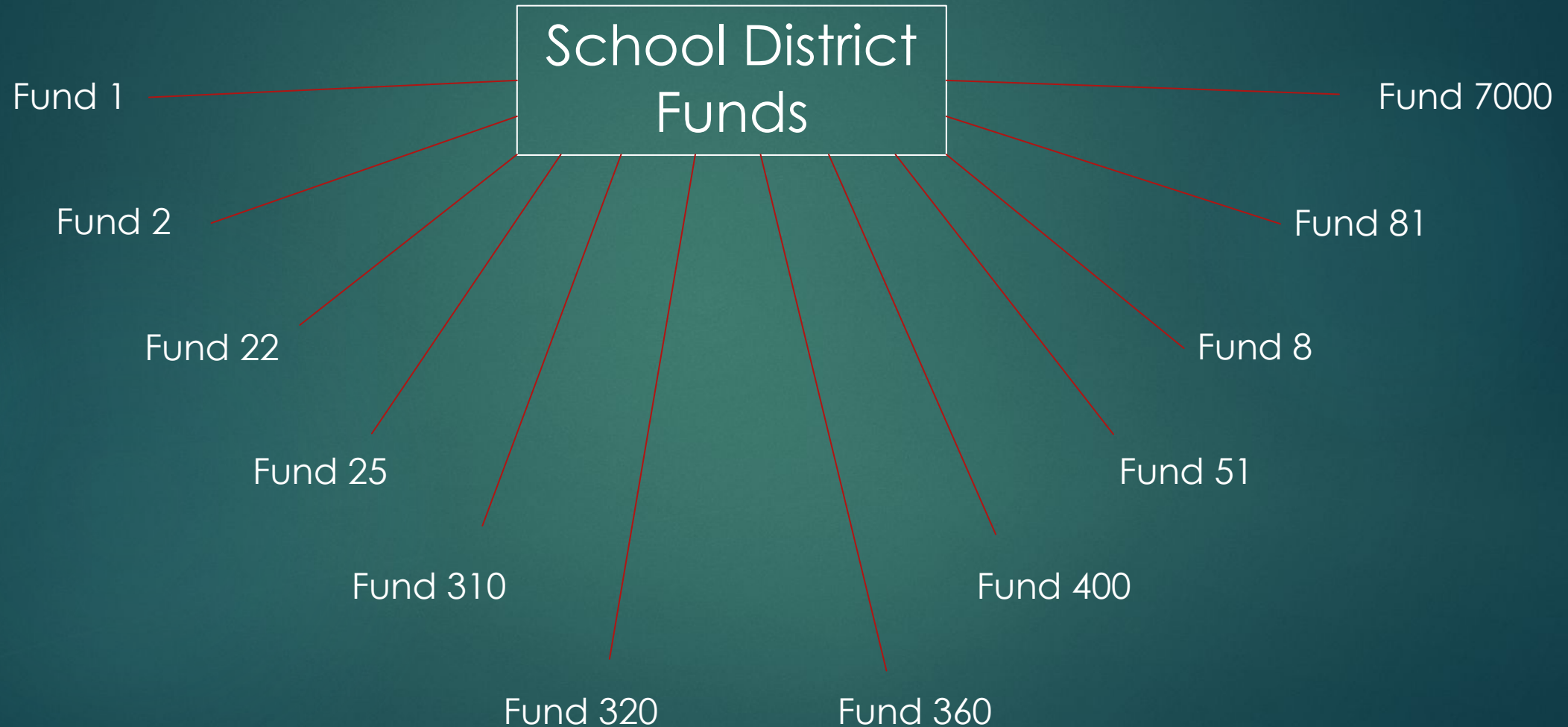
September 5, 2024



Overview of School District General Accounting

- District money is tracked in a Tyler Technologies accounting system called MUNIS.
- The use of the MUNIS program is mandated by the state and the expense of the program is partially funded by the state.
- MUNIS is designed to meet the accounting needs of various public sector organizations such as counties, cities, school districts, and authorities throughout the United States.

MUNIS Accounting Codes



Fund 1

GENERAL FUND

- ▶ This is the primary operating fund of the school district. It is used to account for all financial transactions except those required to be accounted for in another fund.
- ▶ Sources of Revenue:
 - SEEK – Based on Student Attendance
 - Taxes (General Property, Motor Vehicle, Utility, etc.)

Fund 2

SPECIAL REVENUE FUND

- ▶ These funds account for the proceeds of specific revenue sources that are legally restricted or committed to expend for specified purposes other than debt service or capital projects.
- ▶ This is primarily a “Spend and then get reimbursed” Fund – It will run in the **RED** occasionally as we are awaiting reimbursement.
- ▶ Project codes are used to distinguish specific revenue sources and expenditures.
- ▶ Examples: Title I – Project code 310X
IDEA – Project code 337X
- ▶ Sources of Revenue:
Grants (Federal, State, & Local)
Donations

Fund 22

District Activity Fund

- ▶ Fund to account for district activity funds that are legally restricted to expenditures for specified purposes.
- ▶ These funds are recorded by project codes to keep each school's portion separate.
- ▶ Source of Revenue:
- ▶ Funds are swept from schools to district in order to provide additional flexibility in spending. These funds CANNOT be raised by students or parents.

Fund 25

Student Activity Fund

- ▶ Fund to account for student activity funds that are legally restricted to expenditures for specified purposes.
- ▶ GASB 84 requires that all student activity funds be accounted for at the district level in MUNIS.
- ▶ These accounts differ from Fund 22 because all revenues in Fund 25 ARE raised by students or parents (i.e. fundraisers).

Fund 310

Capital Outlay Fund

- ▶ This fund accounts for the SEEK capital outlay allotment of \$100/AADA required by KRS 157.420 to be kept in a separate account and used for projects approved by the commissioner of education.
- ▶ Allowable expenditures include the following:
 - Direct payment of construction costs
 - Debt service on bonds
 - Reserve fund for these purposes to be carried forward in subsequent fiscal years

Fund 320

Building Fund

- ▶ This fund accounts for the equivalent tax rate of five cents (**the nickel tax**) as required by KRS 157.440(b) to be placed in a separate fund for the purpose of the Facilities Support Program of Kentucky (FSPK).
- ▶ KRS 157.621 allows districts meeting certain criteria to levy additional taxes.
- ▶ These funds are to be used only for debt service, new facilities, major renovations of existing school facilities, purchase of land if approved by the commissioner of education and energy conservation measures.

Fund 360

Construction Fund

- ▶ This fund accounts for the costs arising out of the construction, renovation, or remodeling of any school facilities.
- ▶ A unique project code is assigned to each activity requiring a Project Application Form (BG-1) and should reflect the budget as shown on the Proposed Plan to Finance Application section.
- ▶ Examples: LeGrande Cafeteria/Classrooms - 8023
Memorial Sanitary Field Upgrade - 8024
HCHS Sports Field - 8025

Fund 400

Debt Service Fund

- ▶ This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- ▶ This FUND will zero out at the end of the year, as money simply flows in and back out for bond payments.
- ▶ A unique project code is assigned to each bond.
- ▶ Examples: Bond Series 2022 (HVAC reno) - BD22
 Bond Series 2023 (LG reno) – BD23
 Bond Series 2024 (turf) - BD24
- ▶ Sources of Revenue:
 Transfers in from Fund 310, Fund 320 and if necessary Fund 1.

Fund 51

Food Service Fund

- ▶ This fund accounts for all Food Service activity.
- ▶ This is an enterprise fund; school food service operates as a business.
- ▶ This is the only self-sustaining fund that exists in the district; however, it remains under the umbrella of the district. If this fund ever ends a year in the deficit, the general fund must cover the difference.
- ▶ Sources of Revenue:
 - Cash from daily sales
 - Reimbursement from the serving of meals to students
 - State match
 - USDA commodity allowance

Fund 7000

Trust/Agency Fund

- ▶ These funds account for assets held by a school district in a trustee capacity for others.
- ▶ In Hart County, there are two trusts that have been established:
 - Jasper Schlinker Trust Fund
 - Donald Wilkerson Scholarship Fund
- ▶ Sources of Revenue:
 - Donations

Fund 8

Governmental Assets

- ▶ This fund accounts for the capital assets associated with governmental funds.

Fund 81

Food Service Assets Fund

- ▶ This fund accounts for capital assets not accounted for in the enterprise fund for food service (Fund 51).

SUMMARY

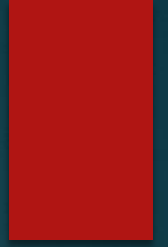
- ▶ There are different FUNDS that are required in MUNIS for the money that flows through the district. Each has its own purpose.
- ▶ Spending from each of these FUNDS has its own rules.
- ▶ We *MUST* follow the rules for the FUND in order to continue to receive the money.

MUNIS Codes

- ▶ Fund Codes
- ▶ Unit Codes
- ▶ Key Codes
- ▶ Function Codes
- ▶ Instructional Level Codes
- ▶ ALL combine to make form the ORG Code
- ▶ Sample Expense Code: 0101118 0610 901X

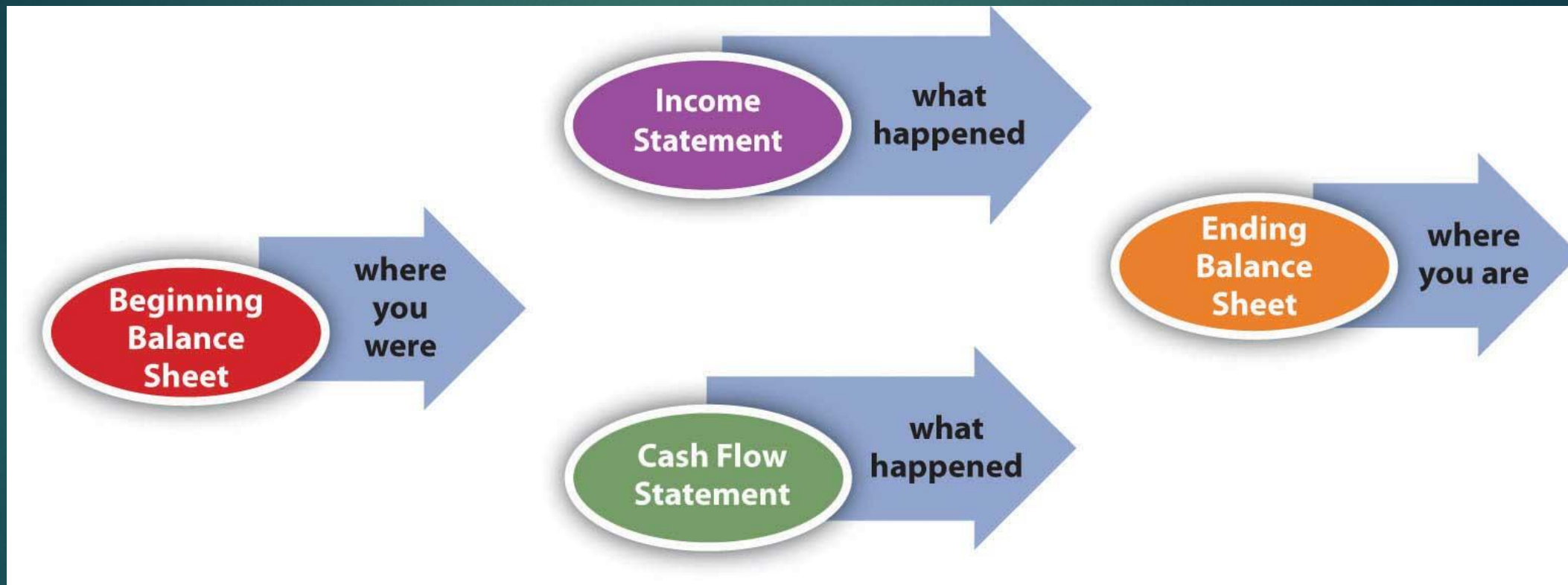


Monthly Reports to the Board



- ▶ Monthly Financial Report (KRS 160.431 & KRS 160.463)
- ▶ Balance Sheet Report

Analysis of Reports



Monthly Financial Report

- ▶ In accordance with Kentucky Statute, the finance officer shall provide a detailed monthly financial report that includes the previous month's revenues and expenditures of the district.
- ▶ These are updated monthly and posted to our website.



Balance Sheet

- ▶ This is a snapshot of the district's financial status for a period (month) as of a given date.
- ▶ The report, by fund, details the assets, liabilities and balance of that fund.
- ▶ Again, this is posted monthly to our website.



Let's Simplify These Two Reports!!

- ▶ Bank Reconciliation Report – Provides a summary of Beginning Cash, Revenue, Expenditures, and Ending Cash for the Month – For specific details, you can use the Monthly Financial Report
- ▶ Ledger Reconciliation Report – Provides a summary of the MUNIS Ledger balance which accounts for transactions that have hit MUNIS, but not yet hit the bank account

HART COUNTY BOARD OF EDUCATION

Bank Reconciliation

JULY 2024

BANK BEGINNING BALANCE	\$13,341,590.85
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REVENUE:

Reg	Deposits	\$64,800.28	
Direct	Deposits	\$1,921,951.34	
Transfers	Food Service (Previous)	\$162.93	June
Interest	General Fund	\$34,514.40	
BANK ERROR - Charged for a wire transfer fee in error		\$15.00	

TOTAL REVENUE	\$2,021,443.95
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EXPENDITURES:

(Cleared Munis)

AP		\$ 1,964,691.51
Payroll	Includes TRS ACH	\$681,165.83
ACH Debit Transactions		\$251,581.98
ACH Payroll Check		\$889,654.79

TOTAL DEBITS	\$3,787,094.11
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OVER/SHORT	\$0.00
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BANK ERROR - Charged for a wire transfer fee in error

Contacted the bank 7/11 and they will refund the charge

BANK BALANCE	6/30/2024	\$11,575,940.69
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HART COUNTY BOARD OF EDUCATION

Ledger Reconciliation Report

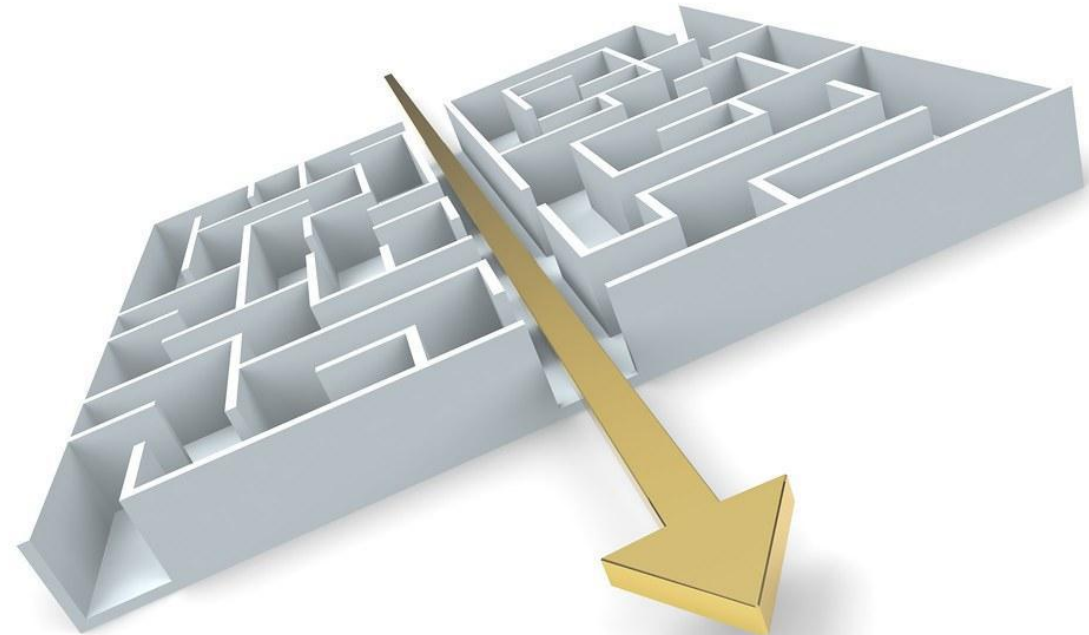
July 2024

MUNIS Balance Sheet

1	General Fund	\$3,392,417.64
2	Special Revenue	(\$47,573.67)
22	DATF	\$234,013.51
31	Capital Outlay	\$927,822.00
32	Building	\$2,398,085.17
36	Construction	\$3,007,325.66
40	Debt Service	(\$22,341.92)
51	Food Service	\$1,072,328.73
70	J. Slinker Trust	\$40,748.93
Total Cash		\$11,002,826.05

BANK RECONCILIATION

Ending Balance-Bank Statement	7/31/2024	\$ 11,575,940.69
Total Ending Balance		\$ 11,575,940.69
Food Service Current Month		\$0.12
CERS		(\$32,593.40)
GFS		\$0.00
941/KY Tax		\$0.00
Fed Health Ins		(\$29,708.44)
Outstanding AP/Payroll Cks		(\$446,656.00)
Kentucky Deferred Comp		(\$1,055.00)
State Benefits		(\$66,409.36)
State Benefits Adjustment June 2024		\$995.03
Misc MUNIS Exp/Rev		\$2,297.41
Bank Errors		\$15.00
Total Adjustments		(\$573,114.64)
Ending Balance + Adjustments		\$11,002,826.05
Difference		
Reconciled Bank Balance		\$11,002,826.05



THE BOTTOM LINE

Process of Creating the District's Budget, A Quick Overview

- ▶ Various needs assessments
- ▶ Gather data (Property Valuation, SEEK, Staffing by position, Salary Schedules, etc.)
- ▶ Build staffing/salary worksheets
- ▶ Copy existing budget to use as template
- ▶ Enter budget numbers by Org, Object & Project code.
- ▶ Balance each FUND – Revenue must equal Expenses



Budgeting Timeline

WE OPERATE ON THE FISCAL YEAR

- ▶ DRAFT budget must be filed with KDE on or before January 30 of each year. This is a first shot-in-the-dark attempt, focusing on any new expected expenditures in the next fiscal year.
- ▶ TENTATIVE budget must be filed with KDE on or before May 30 of each year. This is the most important budget, as we can calculate on our SEEK forecast, and any salary changes for the next fiscal year.
- ▶ WORKING budget must be filed with KDE on or before September 30 of each year. This is our last opportunity to alter revenues (from tax rate changes) and/or add any new expected expenditures.

Attachments

[FY25 Tentative Budget](#)

[FY25 Tentative Budget Summary](#)

[MUNIS Funds Breakdown](#)

[FY25 SEEK Forecast](#)